In This Issue: Business Leaders Look at 1950

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Clerk to President

Rhys M. Sale on Jan. 1 reaches the top rung of a ladder he began climbing 34 years ago as a cash office clerk. He becomes president of Ford Motor Co. of Canada. At 52, the tall, energetic Windsor-born executive assumes the senior position in Canada's biggest automobile manufacturing firm after the greatest production year in its history.

THE NATION'S BUSINESS

The New Year

For Canada as a whole, 1950 looks like another good year. We can hardly expect to see it equal the record of 1949, for that was an extraordinarily good year indeed, but the general outlook for the next six months at least continues favorable.

But there will be soft spots, both as to areas and industries, largely because our vital trading problem with Great Britain and the other sterling areas still remains unsolved. First and most seriously influenced are industries like agriculture, fishing, shipping and lumbering and to a lesser extent pulp and paper and base metals. Regions with the greatest stake in these industries are the Maritime Provinces and British Columbia.

Offsetting the threat to our sterling area exports, has been a substantial increase in shipments to the United States and the promise of still greater growth in that direction as trade barriers are eased. Any U. S. recession, of course, would be bound to affect that favorable picture.

For most Canadian business it is going to be more difficult to maintain the present margin of profits. Costs have risen sharply and, because the production of durable goods has largely caught up with the wartime accumulated backlog of demand, competition is going to be keener. Because of very high break-even points, even a slight decline in demand for goods and services can have a profound effect on profits.

In looking forward we should realize the extent and significance of the vast developments which have taken place in the past 10 years. There has been enormous growth. Particularly there has been a substantial diversification of industry. This means that there are elements of strength and stability in our economy very different to the situation of 1940 or of 1930. We are now consuming a greater proportion of our production even in such basic lines as agriculture, mining and forestry. The development of the western oil fields and the iron ore in Labrador and Quebec means new jobs, new wealth, new industries. There we have the vital sinews of another major phase of industrial development.

In this issue, The Financial Post presents the views on the business outlook of over a hundred leading Canadian business executives. They are published in the sincere hope that they will be of value to all who must plan now for the new and challenging year ahead.

* * *

Inexcusable Delay

It was high time the Board of Transport Commissioners should be told to get down to business and stop fiddling around with important work.

Last week CPR got a Supreme Court decision denying the right of the Transport Board to defer action on the freight rate application.

Last week, too, the Transport Board put up another exhibition of dilatory methods in its refusal to proceed with the hearing on the Bell Telephone application for a rate increase.

The Chief Commissioner, Mr. Justice Archibald, charged that Bell was trying to stampede the board into a quick hearing.

The cities opposing the rate increase have had two months' notice and if they can't get ready in that time and if the Transport Board thinks that's stampeding, then we don't think much of such standards of efficiency in the conduct of public affairs. Neither do we agree with Mr. Archibald that putting over the hearings until March is "no unreasonable delay."

By taking control over rates, the government takes unto itself life and death powers over a company. The railways and the telephone company are in a dire predicament.

If they aren't to be permitted to take one course out of their jam, then they will have to do something else. It is the delay in getting any decision out of the Transport Board which is serious in the extreme.

The Government should take a prompt, hard look at the Transport Board and see that it faces up to the job assigned it.

* * *

Are M.P.'s Overworked?

An unnamed member of the House of Commons has suggested that MP's salaries be raised to $10,000 a year with provision for pensions. This compares with the present $4,000 indemnity per session with a $2,000 tax-free annual allowance.

Backing the proposal is the familiar argument that politics today is a year-round occupation with sessions running twice as long as before the war. And they would be longer, it is said, "if members did not rush a great deal of work through in the last days before prorogation."

Admittedly the job of running a country today is vastly more complicated than it once was, but so is business. Simply lengthening sessions, however, cannot solve the problem.

Eventually we would arrive at the stage where parliament might sit continuously and still be unable to catch up. And in the meantime running it would become a job for professionals only because there would be no time for outside interests.

That would bar business and professional people, farmers and others who have contributed so much to our public life. It would tend to make parliament less representative.

A much better solution would be a drastic overhaul of the work and procedures of parliament. At present far too much time is wasted on matters that should have had the benefit of expert advice and opinion and should have been thoroughly threshed out by committees before coming to the House for decision.

Parliament allows itself to get bogged down in details, in meaningless debate and speeches aimed at the gallery with the result that the important decisions are sidetracked or rushed through without the slightest attention in the dying days of the session.

Properly planned and properly prepared with efficient use of the expert assistance available in the civil service, parliament should be able to do its present work in half the time.

Our Bill for Steel Higher Next Year

Canadian Mills to Increase Prices on Some Items – U. S. Price Increase and Devaluation Add to Costs For Imports – Bigger Supply From UK?

Already hit by higher prices for United States steel, Canadian steel users were getting set this week for another jolt: prices of some Canadian steel items are going up early in the new year.

Ottawa hears the increases will be "moderate" and "reasonable." By this is meant something like 4%, The Post is told. It is said not more than three or four major items will be affected and the net result will add perhaps $13 millions to our estimated $280 million annual bill for Canadian steel.

This, with increased cost of imported U. S. steel (estimated $5 millions) and devaluation (another $10 millions) will add roughly $28 millions to Canada's $400 million steel bill. We produce about three million tons and have to import another million tons from the U. S. Another 100,000 tons comes from United Kingdom and Europe.

Despite the higher steel bill, Ottawa is not expecting the increases to have too much effect on Canadian economy. Many firms, notably automobile manufacturers, have already absorbed U. S. increases. Others are expected to absorb at least a portion of the Canadian boosts.

Why An Increase?

Reasons given for the increase: higher cost of labor; transportation, coal, ore, limestone and replacement of equipment. Labor got a 10c increase last April. There hasn't been a basic increase in prices since October, 1948. Since then, cost of raw materials have advanced; also freight rates.

There was some speculation that the increase would be put off until after 1950 union contracts are signed. This would give the industry a chance to see what 1950 labor costs are going to be like. However, it is claimed producers don't feel they should continue to absorb increases any longer.

Incidentally, this time the industry will put the increase through on its own; remaining price controls on steel were lifted Dec. 1 and Ottawa stepped out of the pricing picture. Last to be cleared were the heavy tonnage

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November Export Record Shows Strength, Weakness

OTTAWA (Staff) — Happiest augury for Canada in 1950 is the clear evidence in recent trade returns of this country's ability to combine new dynamic resource development with flexibility and enterprise in meeting the challenge of the postwar world.

In a world where trade barriers and restrictions are almost universal, Canada has been able to maintain an extraordinary high level of external trade. Even more important, it has been able to shift and alter the trade pattern to meet the challenge of the dollar and non-dollar worlds.

The revealing statistic is that for November, 1949, Canadian exports were maintained at close to peacetime peak levels and that 59% of this high level of total exports went to the United States.

It is likely that for 1949 as a whole, 50% (or better) of all Canadian exports went to United States. This is an all-time record. The 20-year average is 38%.

In short, Canada, almost alone of the world nations outside the U. S. has been able, so far, to meet the challenge of a divided postwar world. By substantial and varied new resource developments and by a high degree of trade flexibility, we have been able in 1949 to cushion loss of traditional markets and capture new sales opportunities in the most important and competitive market in the world — the United States. Canadian exports to U. S. in November at $173,000,000, were the highest in recorded history.

Where We're Vulnerable

Along with this flexibility has come also vulnerability.

No one can be complacent about having three fifths of all our exports going to the one basket. If business in United States takes a nose dive, the effect on Canadian trade would be immediate and serious.

Our hope, in that event, would again lie in our flexibility — our ability to adapt ourselves to that new and unfortunate circumstance—just as in the past three years we have made extraordinary adjustment to postwar conditions.

Looking ahead for 1950, it is this level of U. S. business which appears to hold the key to Canadian trade and also to Canadian prosperity.

The two "dynamic" markets in the world today are the United States, and many Latin American countries.

In both of these areas, Canada stands a good chance of maintaining or even increasing her sales volume in 1950, under present business conditions.

Canadian exports to U. S. may reach or exceed $1.5 billion in 1950; are currently running at a considerably higher rate.

Our sales to Latin America are running five times (in value) their prewar level; we'll market $120 millions there in 1949, with exports currently totaling $9 millions monthly.

Effect of Devaluation

Our competitive position has been improved in both these markets by reason of the 10% premium on U. S. dollars; although in some lines we are certain in 1950 to feel the effects of the larger slash in European currency values.

In other parts of the world Canada in 1950 will be conducting largely a "holding" operation.

In 1949, sales to United Kingdom and the Commonwealth sterling area will total about $1 billion; 70% to Britain. The threatened 25% cutback isn't expected to materialize, certainly during the first six months. This means U. K. exports may settle between the $550 and $600 million mark; our 1950 exports to other sterling-commonwealth nations may be between $225 and $250 millions.

Our big argument in these markets for 1950 will be a commercial argument: that Canada is the cheapest source in the world for items which are only obtainable in dollar areas and which are essential to a high level of productivity on the part of non-dollar lands.

Market for Surplus Items

Most vulnerable items for 1950 are:

1. Our farm, fish and forest surpluses — items like annual crops or output that can't be easily reduced or diverted.

2. Scores of individual manufactured items — (from automobiles to bobby pins) that normally found traditionally sales in preferential Commonwealth markets.

For 1950, most of our major surplus items are now accounted for, except eggs, pitprops, apples, possibly dried fish. As well, in many of these we've already made major adjustments since 1945; have relatively small surpluses now available in relation to present home consumption.

Wheat may be a big question mark when the four-year U. K. contract ends in July. We'll probably not sell United Kingdom more than 100 or 120 million bushels in 1950-51; perhaps not that much. And the price will be lower.

On manufactured goods there isn't any satisfactory answer, short of convertibility of currencies and maintenance of a strong domestic demand.

1950 Capital Investment Near $3 Billions — Howe

OTTAWA (Staff)—Capital Investment in Canada in 1950 is estimated at "close to the 1949 level in value terms, i.e., something more than $3 billions" according to a preliminary forecast by Trade Minister Howe.

Preliminary figures, says Mr. Howe, "bear out the leveling-off trend evident at the beginning of 1949, but a leveling-off at a very high level." General trends in 1949 "will continue for the most part of next year."

Suggested trends include:

(1) Institutional building — increases of 1948 and 1949 will continue; especially hospital construction.

(2) Utilities — increases expected due largely to building of oil pipeline.

(3) Direct Government spending—some increase.

(4) Services — very small increase.

(5) Agriculture — decline expected (contrary to 1949).

(6) Manufacturing and commercial — decline evident in 1949 to continue.

(7) Housing — 50,000 carry-over expected from 1949. This together with continuing demand for new homes should bring residential construction work in 1950 close to the 1949.

Mr. Howe says "in real terms, the 1949 gross national product of about $16 billions will be 2 or 3% higher than in 1948. Part of this increase has been due to the sustained strength of domestic as opposed to foreign demand."

For 1950, Mr. Howe warns: "Following the abnormal conditions of the last 10 years it is inevitable that special area and special industry problems will continue to arise.

"The Government can only go so far in meeting these problems —in the last analysis our present prosperity can only be maintained if our foreign trade and international trade flourishes."

PRICES

Canadian steel items to take a jump averaging perhaps 4% in New Year. Increases are not expected to have much effect on end products. Increases will be first since Oct., 1948, follow complete decontrol on steel Dec. 1 (see story this page).

U. S. steel increases became general this week with each steel item now earmarked to pay its own way as a profitable item, thus ending situation where some tonnage was produced at a loss. Advances are sharpest on cold finished bars. Changes will have little effect in Canada.

Cigarette retail prices went up 1c for a package of 20, Imperial Tobacco announced. New prices: for Alberta, Manitoba, Ontario and Nova Scotia, 36c; for B. C. and Saskatchewan 37c; for Quebec 39c; for New Brunswick and P. E. I. 40c. Increase due to higher costs, company said.

Buick joined the downward price parade in U. S. automobiles. Cuts of $75 to $310 on roadmaster and super series announced at midweek included cut of $40 on torque converter transmission announced a week ago.

Nickel chocolate bars from several Canadian makers due next month in line with nickel offerings of several U. K. makers. Canadian bars, in some cases, to be smaller than those presently retailing for 7c.

Sugar due for one-half cent to one cent a lb. increase at retail in Eastern Canada following hike of 32½c per 100-lb. bag by refineries. Increase attributed to recent fluctuations on Cuban sugar market where prices have been going up one-half cent to 4½c a lb.

Food items reported by Canadian Grocer (Maclean-Hunter): **Florida orange and blended juices** in some grades up 22½% to 30% . . . **grapefruit juice** to be scarce, dearer . . . **tomato juice** up around 10% in some fancy quality brands . . . **peanuts** advanced 2c to 3c a lb. in Virginia . . . **peanut butter**, in some brands up since stocks of Indian peanuts exhausted . . . **coffee** apparently leveling off at high prices reached by end of November when 6c a lb. was tacked on to roasted.

Canada Being Squeezed On Wheat Sales?

(Special Correspondence)

WINNIPEG—Is Canada feeling a squeeze on wheat?

For the past two weeks shipments to Britain have been very light both in wheat and in flour and it's being suggested that this arises from proposals that Ottawa might release U. K. from some of her wheat commitments in order that she might transfer some dollar resources to bacon, cheese, lumber, etc.

So far these suggestions add up to foregoing sale to Britain of some 10 million bushels of wheat worth around $20 millions.

Earlier in the crop year the idea of selling less wheat to U. K. would not have disturbed the grain trade. There seemed to be adequate markets for available stocks under the International Wheat Agreement and in the open market.

Today, however, the U. S. is a more aggressive seller under the agreement and the open market price for wheat in U. S. has been consistently well above the maximum agreement price of $1.80. Additionally the U. S. Government has increased its subsidy for sales to agreement signatories and the Canadian Wheat Board has been finding it more difficult to make such sales.

One reaction has been elimination by the Board of the 6 cents a bushel carrying charges it was adding to the $1.98 it was allowed to charge in Canadian dollars under the agreement.

Thus both Canada and U. S. are now both selling at somewhat less than they would be entitled to charge under the agreement, and further cuts are likely.

Although countries not party to the agreement have been buying wheat, both in Canada and in U. S. at rough equivalent of Chicago market prices (considerably higher than the maximum under the agreement), there has been some considerable softening as price of the Canadian Wheat Board rose to about $2.40 shortly after currency devaluation but has declined since by some 20c.

How 1950 Permit Program Works Out For Importers

OTTAWA (Staff) — Permits for 1950, issued this week governing the $375 millions of U. S. dollar imports controlled under allotment by Trade Minister C. D. Howe in Schedule III (capital goods), with two exceptions, will be on the same basis as in 1949.

The most important single exception governs importers of goods for resale. This includes retail and wholesale distributors, importing houses, etc. Here the cutback is to 90% of 1949 allotments. The saving in U. S. dollars may run to $10 or $11 millions for the full year.

Reason for the cutback, however, is not primarily to save dollars, but because expansion of Canadian production and the 10% premium on U. S. goods has kept these importers as a group from using their full 1949 allocations (The Financial Post, Dec. 24).

The other important exception covers importers of heavy construction equipment and machinery, also cut back to 90% of 1949 imports, plus 50% of the value of individual permits with a unit value of over $10,000. In future no individual permits will be issued over $10,000 to these importers. This will be handled entirely by allotment.

Two large groups will continue to get U. S. dollar allotments on the same basis as 1949. These include:

(a) manufacturers who import parts and materials;

(b) importers of automotive parts (not for resale) and finished automobiles.

In the first six months of 1949, total imports under allotment permits from U. S. were $190 millions (as against $380 millions in 1948).

The breakdown for the first half of 1949 was (in $ millions): Automotive parts—$68; vehicles —$9; general allotment permits —$113; as against $115, $15, and $250 respectively.

How Shareholders May Benefit From Mining Tax Allowance

What will the new income tax depreciation and depletion allowance regulations mean for corporations which get part of their income from dividends from mining, oil or gas companies?

It has wide implications for shareholders of holding companies, investment companies and such companies as CPR.

The new regulations grant depletion allowances to shareholders of from 10% to 20% of the dividend. The amount depends on the proportion of the company's profits which are "mineral profits."

In addition to including profits which are received directly from operating a mine or an oil or gas well, "mineral profits" is defined to include dividends received by one company from another whose dividends are eligible for the 20% depletion allowance.

Depletion allowances set up are:

(1) 10% of the dividend where mineral profits are not less than 25% but less than 50% of the company's income.

(2) 15% of the dividend where mineral profits are not less than 50% but less than 75% of the company's income.

(3) 20% of the dividend where mineral profits are not less than 75% of the company's income.

This would indicate that shareholders of holding companies and investment companies and CPR, where more than 25% of income was from mineral profits, would become eligible to deduct a depletion allowance from their dividend income.

Take CPR, for an example. In 1948, more than 42% of its net railway earnings plus other income, or over 67% of its net profit, was from dividends from Consolidated Mining & Smelting Co. of Canada. Depending on what CPR's "income," as defined by the regulations, will amount to, its shareholders would appear likely to be eligible for either a 10% or a 15% depletion allowance in making out their 1949 and subsequent income tax returns.

It is all contingent, of course, on 75% of Consolidated Smelters' income being "mineral profits."

Lake Dufault Mines, a holding company previously denied a depreciation allowance, will get a 20% allowance under the new regulations. So does Proprietary Mines.

Because of the Monday holiday this week and next week, The Financial Post will go to subscribers one day later than usual.

How New Tax Plan Affects Business

Depreciation and Depletion Allowance System Overhauled — Applies to 1949 Taxes — Private Deals Out—Credit for Obsolescence

Full text of depreciation and depletion allowance regulations on pages 2 and 4. You will need to keep this for reference.

By KENNETH R. WILSON

OTTAWA (Staff)—For the first time in the history of Canadian income tax administration, the government has placed on the record official "ceiling" rates for depreciation and depletion allowances.

The new rates mark the passing of the old "ministerial discretion" under which individual taxpayers negotiated thousands of private arrangements with the department. In future, all "allowances" (as they are now called) are in the form of statutory regulations which must be approved by order-in-council and published in the Canada Gazette.

As well, a new fundamental principle is established, namely that the owner of a revenue-producing property is entitled to recover out of profits the entire cost of that property during its lifetime. Till now, property owners were liable to a capital loss if property was scrapped through obsolescence. Now such a loss will be regarded as a charge against income. (Property sold at a profit is subject under the new regulations to "recapture" to the extent that it has already been written down below the resale value).

Another major change in principle is the adoption of the diminishing allowance plan. This means that instead of a certain fixed amount each year, allowances in future may be reduced by a fixed percentage. The initial rates are considerably higher. But the actual amount that can be written off will diminsh each year.

For example: Under the new Class 8 group (see page 2) covering the main grouping of plant, equipment, etc., the new fixed rate is 20% against former rates which varied from 7½ to 12½% (Bulk of rates in this group were formerly 10% or less).

This works as follows: under the new plan, a business may write off up to 20% the first year; 20% of the remainder the second year and so forth. This would write off 90% of the cost of the entire equipment in 10 years.

Under the old straight line system, there would be a flat reduction of say 10% of the original cost each year—a 100% write-off in 10 years.

Tax officials maintain they do not know how much their revenues will drop initially by the new plan.

Affect 1949 Tax Years

The new rates apply to the 1949 taxation year but any firm which finds the existing 1948 schedules give him a greater allowance, may adopt the 1948 schedules for his 1949 returns, if he so desires.

Put another way: if a firm has already claimed for 1949 an allowance greater than it is now entitled to under the new regulations, it may retain (for 1949) the 1948 calculation.

Another important difference in the new rates, is that they are "ceiling rates" only.

That means that in future the department will accumulate against property, only such allowances as the taxpayer elects to take. The stated rates now published, are therefore maximum or ceiling rates. They are not mandatory.

Under the old system if a taxpayer did not write-off the full amount of depreciation in a given year, the department automatically deducted half of the official rate.

The new rates are stated to remove one of the important obstacles to replacement of obsolete plant and equipment. They apply to virtually all types of revenue-producing property except that used for farming or fishing. Separate regulations covering these two occupations are in course of preparation.

Major New Principles

Other new principles include:

1. A new territorial definition for oil properties which wipes out the distinction between oil produced east or west of Manitoba. (The old regulations gave a 25% depletion allowance for eastern Canada wells; 33 1/3% allowance for western wells. Now all are entitled to the new 33 1/3% rate).

2. Shareholders of Canadian mining companies are now put on a sliding scale of depletion allowances in respect of divi-

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Inside News

What's for Business in '50?
How do you see business going in 1950? The view that times will remain favorable in the over-all picture keynotes the thinking of some 100 leading Canadian businessmen asked by The Post to give their views (pages 3, 7-12, 15, 17). A special Post industry-by-industry survey (pages 13, 16).

What's Unions' Target?
What's the labor union target for 1950? The Post's industrial relations editor tells how things seem to be shaping up as shown by public and private statements of union leaders and talks with management (p. 19).

Depreciation Tax Change
What does the new income tax amendment on depreciation and depletion allowances, under which a "ceiling" rate is set, mean to you? Here's full text (pages 2-4).

Compton Switches Again
A new stock switch by Compton, plus higher dividend rates, boosts this investment account's expected annual income to a new high of $883. Managed Investment (p. 5).

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Pace of Business

Average weekly pay stood at a new high of $43.78 for eight industrial groups (excluding farming) at Nov. 1 against $43.55 a month earlier ($42.15 Nov. 1, 1948).

Department store sales rose 5.5% wek ended Dec. 17 over corresponding week of previous year. All provinces showed gains except Quebec where sales off 3.4%. Maritimes led increases with 19% rise.

Carloadings lower: 72,123 cars in week ended Dec. 17 vs. 75,286 the previous week, 73,293 same week a year earlier. Loadings for first 50 weeks of 1949: 3,792,369 cars (3,926,339).

Canadian unemployment continues to increase slightly, DBS reports. Index of employment stood at 201.9 on Nov. 1 vs. 202.1 a month earlier, 203.6 a year before.

Creamery butter stocks in nine cities amounted to 43,361,000 lb. at Dec. 16 (25,525,000 year earlier). Increased holdings recorded in each city.

Sawn lumber output—east of the Rockies—down 18% in September, off 5% in first nine months of 1949.

Portland cement shipments increased to 1,465,700 bbl. in October (1,373,300 in 1948). For first 10 months of 1949, 13,760,800 bbl. shipped vs. 12,048,700 a year before.

Electric refrigerators turned out in September totaled 16,733 units compared with 12,349 in same month of previous year. Output for first nine months: 130,945 units vs. 99,736 units.

Asbestos output continued high in October: 71,677 tons shipped vs. 66,264, October, 1948. Output for first 10 months down at 435,216 tons (590,884) due to strike which reduced output in first half.

Warm air furnace production in 1949 estimated by industry at 75,000, against 62,000 (DBS) in 1948 and about 25,000 in 1939.

Depreciation, Depletion 'Ceilings': The Full Text

How The New Tax Allowances Have Been Worked Out

Following is the text of the Federal Government's Income Tax Act regulations establishing maximum depreciation and depletion allowances:

PART XI

Allowances in Respect of Capital Cost

1100. (1) Under paragraph (a) of subsection (1) of section 11 of the Act, there is hereby allowed to a taxpayer, in computing his income from a business or property, as the case may be, deductions for each taxation year equal to

(a) such amount as he may claim in respect of property of each of the classes numbered 1 to 12, inclusive, in Schedule B to these Regulations not exceeding in respect of property,

(i) of class 1, 4%,
(ii) of class 2, 4%,
(iii) of class 3, 5%,
(iv) of class 4, 6%,
(v) of class 5, 10%,
(vi) of class 6, 10%,
(vii) of class 7, 15%,
(viii) of class 8, 20%,
(ix) of class 9, 25%,
(x) of class 10, 30%,
(xi) of class 11, 50%, and
(xii) of class 12, 100%

of the undepreciated capital cost to him as of the end of the taxation year (before making any deduction under this subsection for the taxation year) of property of the class;

(b) where a taxpayer has property of the class numbered 13 in Schedule B to these Regulations which was acquired by him for the purpose of gaining or producing income, such amount as he may claim not exceeding the least of

(i) one-fifth of each item of the capital cost thereof to him,

(ii) the amount for the year obtained by apportioning each item of the capital cost thereof to him equally over the period of the lease unexpired at the time the cost was incurred, or

(iii) the undepreciated capital cost to him as of the end of the taxation year (before making any deduction under this subsection for the taxation year) of property of the class;

(c) such amount as he may claim in respect of a property of the class numbered 14 in Schedule B to these Regulations not exceeding the lesser of

(i) the amount for the year obtained by apportioning the capital cost to him of the property equally over the life of the property remaining at the time the cost was incurred, or

(ii) the undepreciated capital cost to him as of the end of the taxation year (before making any deduction under this subsection for the taxation year) of property of the class;

(d) such additional amount as he may claim not exceeding in the case of property described in each of the classes in Schedule B to these Regulations, the lesser of

(i) one half the amount that would have been allowed to him in respect of property of that class under subparagraph (ii) of paragraph (n) of section 6 of the Income War Tax Act if that Act were applicable to the taxation year, or

(ii) the undepreciated capital cost to him as of the end of the taxation year (before making any deduction under this paragraph for the taxation year) of property of the class;

(e) such amount as he may claim not exceeding the amount calculated in accordance with Schedule C to these Regulations in respect of the capital cost to him of a timber limit or a right to cut timber from a limit;

(f) such amount as he may claim not exceeding the amount calculated in accordance with Schedule D to these Regulations in respect of the capital cost to him of property of the class numbered 15 in Schedule B to these Regulations;

(g) such amount as he may claim not exceeding the amount calculated in accordance with Schedule E to these Regulations in respect of the capital cost to him of an industrial mineral mine, except

(i) a coal mine, and

(ii) a mine where the Minister of Mines and Resources has certified that the mineral is contained in a nonbedded deposit; and

(h) such amount as he may claim in respect of property of a class established by The Maritime Coal Production Assistance Act not exceeding 30% of the undepreciated capital cost to him as of the end of the taxation year (before making any deduction either under this subsection or under section 5 of the said Act for the taxation year) of property of the class.

Use of 1948 Basis

(2) For the purpose of computing income for the 1949 taxation year, if the allowance under subsection (1) is less than the allowance that would be made if the law and practice applicable to the 1948 year under the Income War Tax Act were applicable, the taxpayer may deduct, in lieu of the allowance under subsection (1), such part of the capital cost of the taxpayer's property of the classes described in Schedule B to these Regulations as, in the opinion of the Minister, would be allowed as depreciation for the year if the law and practice applicable to the 1948 taxation year under the Income War Tax Act were applicable to the year.

(3) Where a taxpayer has, in a taxation year, otherwise than on death, disposed of all property of a prescribed class that he had not previously disposed of and has no property of that class at the end of the taxation year, he is hereby allowed a deduction for the year equal to the amount that would otherwise be the undepreciated capital cost to the taxpayer of property of that class at the expiration of the taxation year.

(4) Where the taxpayer is a corporation, the aggregate of the allowances under subsection (1) or (2) shall not exceed the amount deducted in respect of such allowances in computing the income or profit for the taxation year shown on the financial statements presented to the shareholders or members.

(5) Where a taxation year is less than 12 months in duration, the amount allowed as a deduction under subsections (1) and (2) shall not exceed that proportion of the maximum amount allowable that the number of days in the taxation year is of three hundred and sixty-five.

(6) Where under the terms of a lease a tenant has the right to renew the lease for an additional term, the period of the lease unexpired at the time the costs were incurred shall, for the purpose of subparagraph (ii) of paragraph (b) of subsection (1), include the next succeeding term for which it may be renewed.

Classification of Property

1101. (1) Where more than one property of a taxpayer is described in the same class in Schedule B to these Regulations and where

(a) one of the properties was acquired for the purpose of gaining or producing income from a business, and

(b) one of the properties was acquired for the purpose of gaining or producing income from another business or from the property, a separate class is hereby prescribed for the properties that

(i) were acquired for the purpose of gaining or producing income from each business, and

(ii) would otherwise be included in the class of Schedule B to these Regulations.

(2) The percentage prescribed for each class created by subsection (1) is the percentage that is prescribed for the class in which the properties would otherwise be included.

(3) A reference in paragraph (a) of subsection (1) of section 1100 of these Regulations or subsection (1) of section 1103 of these Regulations to classes 1 to 12, inclusive, shall be deemed to include a reference to the corresponding separate classes created by subsection (1).

(4) A reference in paragraph (b) of subsection (1) of section 1100 of these Regulations to class 13 of Schedule B to these Regulations shall be deemed to include a reference to the corresponding separate classes created by subsection (1).

(5) For the purpose of this Part and for the purpose of Schedules C and D to these Regulations,

(a) a timber limit or a right to cut timber from a limit shall be deemed to be a separate class of property and,

(b) where a taxpayer has more than one timber limit or rights to cut timber from more than one limit, each limit or right shall be deemed to be a separate class of property.

(6) For the purpose of this Part and for the purpose of Schedule E to these Regulations, where a taxpayer has a mine or more than one mine of the kind described in paragraph (g) of subsection (1) of section 1100 of these Regulations, each mine shall be deemed to be a separate class of property.

Property Not Included

1102. (1) The classes of property described in this Part and in Schedule B to these Regulations shall be deemed not to include property

(a) the cost of which is deductible in computing the taxpayer's income,

(b) that is described in the taxpayer's inventory,

(c) that was not acquired by the taxpayer for the purpose of gaining or producing income,

(d) that was acquired by an expenditure in respect of which the taxpayer is allowed a deduction from income under section 65 of the Act,

(e) that is included in a class established by The Maritime Coal Production Assistance Act,

(f) that is included in a class established by The Canadian Vessel Construction Assistance Act, or

(g) that was acquired for the purpose of gaining or producing income from farming or fishing.

(2) The classes of property described in Schedule B to these Regulations shall be deemed not to include the land upon which a property described therein was constructed or is situated.

(3) Where the taxpayer is a nonresident person, the classes of property described in this Part and in Schedule B to these Regulations shall be deemed not to include property that is situated outside of Canada.

(4) For the purpose of paragraph (b) of subsection (1) of section 1100 of these Regulations, capital cost includes an amount expended on an improvement or alteration, to a leased property, other than

(a) a building or other structure,

(b) an addition to a building or other structure, or

(c) alterations to buildings which substantially change the nature or character of the leased property.

(5) Where the taxpayer has a leasehold interest in a property, a reference in Schedule B to these Regulations to a property that is a building or other structure shall be deemed to include a reference to that part of the leasehold interest acquired by reason of the fact that the taxpayer has

(a) erected a building or structure on leased land,

(b) made an addition to a leased building or structure, or

(c) made alterations to a leased property which substantially change the nature or character of the property.

Election by Taxpayer

1103. (1) In respect of properties otherwise included in classes 2 to 12, inclusive, described in Schedule B to these Regulations, if the properties were acquired for the purpose of gaining or producing income from a source that is the taxpayer's chief source of income for the purpose of section 13 of the Act, a taxpayer may elect to include all such properties in class 1.

(2) An election under subsection (1) shall be made by registered letter addressed to the District Office at which the taxpayer customarily files the returns required by section 40 of the Act.

(3) To be effective in respect of a taxation year, an election under this section must be made not later than the last day on which the taxpayer may file a return of his income for the taxation year in accordance with section 40 of the Act.

(4) An election under this section shall continue to be effective for all subsequent years.

The Taxation Year

1104. Where the taxpayer is an individual and his income for the taxation year includes income from a business the fiscal period of which does not coincide with the calendar year, in respect of the depreciable properties acquired for the purpose of gaining or producing income from the business, a reference in this Part to

(a) "the taxation year" shall be deemed to be a reference to the fiscal period of the business, and

(b) "the end of the taxation year" shall be deemed to be a reference to the end of fiscal period of the business.

1105. The classes of property provided in this Part and in Schedule B to these Regulations are hereby prescribed for the purposes of paragraph (a) of subsection (1) of section 11 of the Act and section 20 of the Act.

PART XII

Deduction in Respect of Oil Wells, and Certain Mines

1200. For the purposes of paragraph (b) of subsection (1) of section 11 of the Act there may be deducted in computing the income of a taxpayer for a taxation year amounts determined as hereinafter set forth in this Part.

Oil and Gas Wells

1201. (1) Where the taxpayer operates an oil or gas well or where the taxpayer is a person described as the trustee in subsection (1) of section 73 of the Act, the deduction allowed for a taxation year is 33 1/3 per cent of the profits of the taxpayer for the year reasonably attributable to the production of oil or gas from the well.

(2) Where a person, other than the operator of an oil or gas well and the person described as the trustee in section 73 of the Act, has an interest in the proceeds from the sale of the products of the well or an interest in income from the operation of the well, the deduction allowed for a taxation year is 25% of the amount in respect of such interest included in computing his income for the year.

(3) Where an amount received in respect of an interest in the income from the operation of a well is a dividend or is deemed by section 73 of the Act to be a dividend, no deduction shall be allowed under subsection (2) of this section.

(4) In computing the profits reasonably attributable to the production of oil or gas for the purpose of this section a deduction shall be made equal to the amounts, if any, deducted from income under the provisions of section 53 of chapter 25 of the Statutes of 1949, Second Session, in respect of the well.

Base and Precious Metal Mines

1202. (1) The deduction allowed for a taxation year in respect of a base or precious metal mine operated by the taxpayer is 33 1/3 per cent of his profits for the year reasonably attributable to the production of prime metal from the mine.

(2) Where the value of the output for a taxation year from a precious metal mine operated by the taxpayer is to the extent of 70% or more from gold, in lieu of the deduction allowed under subsection (1), the deduction allowed for the year is the greater of

(a) 40 per cent of his profits for the year reasonably attributable to the production of prime metal, or

(b) $4.00 per ounce of gold produced in the year.

(3) In computing the profits reasonably attributable to the production of prime metal for the purpose of this section a deduction shall be made equal to the amounts, if any deducted from income under the provisions of

(a) section 53 of chapter 25 of the Statutes of 1949, Second Session, and

(b) section 1205 of these Regulations in respect of the mine.

Industrial Mineral Mines

1203. (1) Where the Minister of Mines and Resources has certified that the mineral is contained in a nonbedded deposit, the deduction allowed for a taxation year in respect of an industrial mineral mine operated by the taxpayer is 33 1/3 per cent of his profits for the year reasonably attributable to the production of the mineral.

(2) The deduction allowed under subsection (1) shall not apply in the case of a coal mine.

(3) In computing the profits reasonably attributable to the production of the mineral for the purpose of this section a deduction shall be made equal to the amounts, if any, deducted from income under the provisions of

(a) section 53 of chapter 25 of the Statutes of 1949, Second Session, and

(b) section 1205 of these Regulations

in respect of the mine.

Coal Mines

1204. The deduction allowed for a taxation year in respect of a coal mine operated by a taxpayer is 10 cents for each ton of coal mined in the year.

Additional Allowance to Certain Mines

1205. (1) A taxpayer may also deduct from the profits for a taxation year reasonably attributable to the operation in Canada of a coal, base metal or precious

(Continued on page 4 col. 4)

Here Are New Property Allowances

Here is the text of the official schedule on depreciation and depletion allowances passed by the Federal Government, giving description of property and maximum annual allowance;

SCHEDULE B

Class 1 (4%)

Property not included in any other class that is: a bridge, a canal, a culvert, a dam, a jetty, a mole, or a roadway.

Class 2 (4%)

Property that is:

Electrical generating equipment (except as specified elsewhere in this schedule),

A pipeline for oil, gas or water,

The generating and distributing equipment and plant (including structures) of a producer or distributor of electrical energy, except a property included in class 13 or 14,

The manufacturing and distributing equipment and plant (including structures) of a producer or distributor of gas, except a property included in class 13 or 14, or

The distributing equipment and general plant (including structures) of a distributor of water, except a property included in class 13 or 14.

Class 3 (5%)

Property not included in any other class that is:

A building or other structure, including component parts such as electric wiring, plumbing, sprinkler systems, air-conditioning equipment, heating equipment, lighting fixtures, elevators and escalators,

A breakwater (other than a wooden breakwater), a dock, a trestle, a windmill, or a wharf.

Class 4 (6%)

Property that is:

The general plant (including structures) and communication equipment of a telephone or telegraph system,

The property of a railway system that would otherwise be included in another class in this schedule, or

The property of a tramway system that would otherwise be included in another class in this schedule, except a property included in class 13 or 14.

Class 5 (10%)

Property that is:

An integrated pulp and paper mill, including mill buildings, machinery and equipment but not including hydro-electric power plants and their equipment,

A sulphite, sulphate or ground wood pulp mill, including buildings, machinery and equipment but not including hydro-electric power plants and their equipment.

Class 6 (10%)

Property not included in any other class that is:

A building of (1) frame, (2) log, (3) stucco on frame, (4) galvanized iron, or (5) corrugated iron, construction including component parts such as electric wiring, plumbing, sprinkler systems, air-conditioning equipment, heating equipment lighting fixtures, elevators and escalators,

A wooden breakwater, a fence, a greenhouse, an oil or water storage tank, or a railway tank car.

Class 7 (15%)

Property that is:

A canoe or rowboat, a scow, a ship as defined in the Canada Shipping Act; furniture, fitting or equipment attached to a property included in this class (except radar equipment and radio equipment), or a spare engine for a property in this class.

Class 8 (20%)

Property that is a tangible capital asset that is not included in another class in this schedule except land, or any part thereof or any interest therein, and also excepting:

An animal, a herb, tree, shrub or similar growing thing, a gas well, land tile, a mine, an oil well, radium, railway track, railway grading, a railway subway, a railway street crossing, a right of way, a timber limit, and tramway track.

Class 9 (25%)

Property that is:

Electrical generating equipment, if (1) the taxpayer is not a person whose business is the production for the use of or distribution to others of electrical energy, (2) The equipment is auxiliary to the taxpayer's main power supply, and (3) the equipment is not used regularly as a source of supply,

Radar equipment, radio transmission equipment, or radio receiving equipment that is used in conjunction with radio transmission equipment.

Class 10 (30%)

Property not included in any other class that is: an automobile, an airplane, cement mixer, harness or stable equipment, an omnibus, a sleigh, a tractor, a trailer, an automotive truck, a wagon, and

Property that would otherwise be included in another class that is:

A building acquired for the purpose of gaining or producing income from a mine (except an office building that is not situated on the mine property and a refinery),

Contractor's moveable equipment (including portable camp buildings),

A floor of a roller skating rink,

Gas or oil well equipment that is normally used above ground, or

Mining machinery and equipment acquired for the purpose of gaining or producing income from a mine.

Class 11 (50%)

Property not included in any other class that is: a book that is part of a lending library, a die, jig or pattern.

Class 12 (100%)

Property not included in any other class that is: chinaware, cutlery or glass tableware, a medical or dental instrument costing less than $50.00, table linen, bed linen or blankets, or a uniform.

Class 13

Property that is a leasehold interest except (a) an interest in a mine, oil or gas well or timber limit, and (b) that part of the leasehold interest that is included in another class by reason of subsection (5) of section 1102 of these regulations.

Class 14

Property that is a patent, franchise, concession or license for a limited period in respect of property but not including (a) a franchise, concession or license in respect of a mine, oil well, gas well or timber limit, or (b) a leasehold interest.

Class 15

Property that would otherwise be included in another class of this schedule but for the fact that (a) it was acquired for the purpose of cutting and removing merchantable timber from a timber limit, and (b) it will be no further use to the taxpayer after all merchantable timber has been removed from the limit.

ADVERTISING

Account Appointments, Plans And News of Personnel in the Canadian Advertising World

Kenyon & Eckhardt Ltd. (Toronto) appointed by Bristol-Myers Co. of Canada, Montreal, to handle advertising of new antihistamine, Resistab.

• • •

Ronalds Advertising Agency Ltd. (Toronto) releases 800-line copy to list of dailies for Hudson Motors of Canada Ltd. announcing lower-price "Pacemaker" series.

• • •

O'Brien Advertising Ltd. (Vancouver) appoints Ray J. Perrault, formerly with CJOR, to its radio department; and Miss Muriel Martinson, formerly with University of British Columbia library, to department of media and research.

• • •

McKim Advertising Ltd. (Toronto) handled Norwich Pharmacal Co.'s special promotion in Toronto area for "Pepto-Besmal," beginning in early December with introduction of new eight-ounce bottle.

• • •

Tandy Advertising Agency Ltd. (Toronto) says Best Yeast Ltd., Thorold, Ont., will use newspaper and farm paper advertising in early 1950 to announce change in package design, shifting emphasis from former brand name "Hi-Do" (which still appears on package) to company name, "Best Yeast"; also announces introduction in Eastern Canada of product in cake form, hitherto available only in dry form.

• • •

Kenyon & Eckhardt Ltd. (Toronto) reports Kellogg Co. of Canada's offer of toy television set for 20c and one box top from Kellogg's Pep will be promoted, beginning Feb. 18, in weekend comics, dailies, one-minute radio spots.

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ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government

All-Canada Radio Facilities Ltd. (Toronto)—J. Stuart MacKay, assistant general manager.

Calgary Board of Trade (Calgary)—R. J. Dinning, president; J. Stanley Horne, F. C. Manning, MacDonald Millar, vice-presidents.

Canada Trust Co. (London) — G. Alex. Forbes, a director.

Canadian-Australasian Line (Montreal)—T. W. Brawn, general manager.

Canadian Pulp & Paper Association, Western Branch (Vancouver)—Paul E. Cooper, chairman; Harold S. Foley, vice-chairman.

Canadian Car & Foundry Co. Ltd. (Montreal) — J. A. Prud'homme, (Montreal), R. C. Berkinshaw (Toronto), directors.

Cities Service Oil Company Ltd. (Toronto) — E. D. Prentis, vice-president and assistant general manager.

Dominion Chartered Customs House Brokers' Association — R. S. Jackson (Vancouver), president; G. D. Young (Winnipeg), western vice-president; Jess Kaplan (Toronto), eastern vice-president.

Du-Val Associated Companies Ltd. (Toronto)—I. David Izen, manager, leather products division; Samuel M. Izen, assistant manager.

Eagle Star Insurance Co. Ltd. (Toronto)—D. W. Rowan, branch manager at Winnipeg; John McMurdo, superintendent of agents.

Felt & Textiles Ltd. (Victoria)—A. D. Baillie, managing director.

Industrial Acceptance Corporation Ltd. (Montreal)—J. H. Ranahan, vice-president and assistant general manager; J. H. L. Ross, assistant vice-president and general sales manager; D. W. Banwell, manager at Brockville, Ont., and W. J. VanWyck, manager at Red Deer, Alta. (new branches).

Metropolitan Life Insurance Co. (Ottawa) — Edward H. Bauman, manager at Vancouver; H. W. Yearsley, manager at Guelph; Edward Plewman, manager at Edmonton.

Monarch Life Assurance Co. (Winnipeg)—H. J. Bird, Winnipeg, policyholders' director.

Prudential Insurance Co. of America (Toronto)—A. Gordon Nairn, director of agencies for Canada.

Rico Copper Mines Ltd. (Vancouver) — W. R. Lindsay (Toronto), managing director.

Royal Trust Co. (Montreal)—Senator Norman P. Lambert, Chester O. McGirr, A. B. MacLaren, Ottawa Advisory Board members.

Russell Industries Ltd.—Malcolm P. Jolley, Toronto, a director.

Stanolind Oil & Gas Co. (Tulsa, Oklahoma) — C. Schock, manager, Canadian division.

Steele, Briggs Seed Co. Ltd. (Toronto)—George F. Boyd, a director.

Supreme Court of Canada (Ottawa) — John R. Cartwright (Toronto), Mr. Justice Gerald Fauteux (Montreal), new judges.

J. Spencer Turner Co. Ltd. (Hamilton)—E. D. James, sales manager.

Wall Chemicals Canadian Corp. Ltd. (Montreal)—George A. Cruickshanck, W. F. Macklaier, directors.

Winnipeg Life Managers Association (Winnipeg) — G. A. Prang, president.

Retirements

Canadian Pacific Railway—D. R. Kennedy, steamship general agent at Montreal; A. P. Thompson, assistant superintendent at Wynyard, Sask.

Canadian National Railways—R. C. Vaughan, chairman and president.

Canadian-Australasian Line — P. B. Cooke, general manager.

Douglas B. Greig, director and president, Ford Motor Co. of Canada Ltd.

Obituaries

T. Reginald Daykin, 63, Montreal, founder and president of Hygiene Products Ltd.

G. H. Downton, 70, Vancouver, founded first asbestos insulation plant in B. C.

Burton C. Keeley, Vancouver, president, Empire Mills & Keeley Lumber Co.

Chief Justice S. Letourneau, 78, Appeals Court.

Charles W. MacDonald, Toronto, former superintendent of communications for C.P.R.

Francis L. McClement, Vancouver, B.C., sales manager for Shell Oil Co.

Edgar Mellor, 64, New York, vice-president and director of Revillon Trading Co. Ltd., Montreal.

J. B. Nicholson, Winnipeg, former president of Traders Trust Co.

Ralph S. Stephenson, 57, Saint John, president and sales manager of E. S. Stephenson & Co. Ltd.

Look For It Here

Dec. 31, 1949

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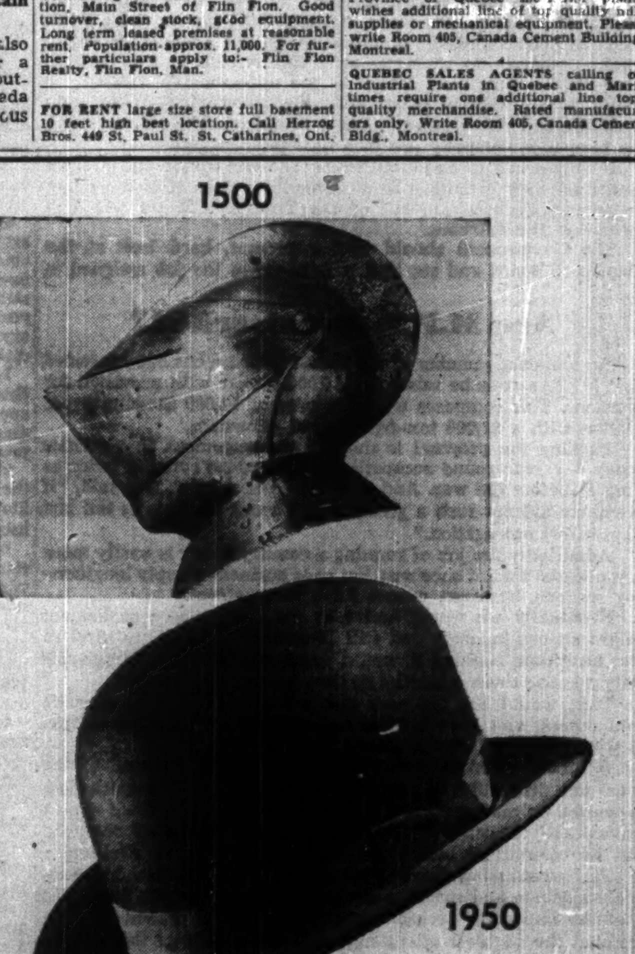

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Businessmen Discuss Prospects in Canada for 1950

Each year at this time The Financial Post invites leading businessmen to make a brief statement on the outlook for the coming year. They were asked:

1. What do you see in price trends and volume for your line of business?

2. What major problems do you see for the coming year?

Replies are given on this and succeeding pages.

How do you see business going in 1950?

The view that times will continue favorable keynotes the thinking of some 100 leading Canadian businessmen asked by The Post to state their views, which follow.

Majority opinion is that, over-all, the current high level of business activity should hold at least for the first six months of the new year; that while some soft spots are showing, they do not for 1950 add up to anything justifying gloom.

Stressed as the major problem is uncertainty in our export trade with soft-currency countries, especially in raw materials and foodstuffs. Stressed also as a major factor affecting the course of business here, is the ability of the U. S. to stabilize production of goods and services at something around present high levels.

In construction, pulp and paper, newsprint, automobiles, mining, oil prospects are seen excellent for continued high levels of operation.

The over-all picture in agriculture is described as "not promising" hence a decline in farm implement business is expected by some.

On the stock markets the mood is one of optimism following a steady uptrend in stock prices over the last six months.

Increasing competition from countries with devalued currencies is seen as of particular concern in the textile and rubber industries.

Stiffening competition and a search for new markets are seen facing most industries.

D. W. Ambridge

President and General Manager, Abitibi Power and Paper Co., Ltd.

The pulp and paper industry in Canada is looking forward to another year of high production and of progress.

Since the devaluation of the British pound the industry has been watching the world situation in regard to the market for pulp and paper products with a great deal of interest. It is quite evident that the capacity of the Scandinavian peninsula to produce pulp and paper is far too small to supply the world outside the North American continent. Countries like Australia, New Zealand, South Africa and the South American Republics are already finding it difficult to get their orders filled from Scandinavian sources.

The Canadian industry is exploring every possible means of assisting these countries to buy some, at least, of their requirements in Canada, but the difficulties in the way of normal trade are formidable.

The American market will, of course, continue to be the mainstay of the industry and it seems reasonable to suppose that American requirements will continue at a high level throughout 1950.

• • •

John E. Armstrong

President, Engineering Institute of Canada.

Recently I have visited branches of the Engineering Institute of Canada from Newfoundland to British Columbia and have seen the work going on all across Canada. Everywhere I have seen a busy people with little involuntary unemployment. Similar conditions should continue in 1950.

Next spring the largest class of engineers, approximately 3,500, will graduate from Canadian universities. They will be absorbed into productive channels and become a great asset to the country.

During 1949 there have been many cases of United States engineers being engaged, particularly by Canadian government, at the federal, provincial and municipal levels to do work in Canada. In most cases the work could have been done by Canadian engineers. The new year should show a lessening of such unnecessary importation of foreign engineering services.

Present prospects are that 1950 will be a good year for Canadian industry and, consequently, for Canadian engineers and Canadians generally.

• • •

A. F. Baillie

President and Managing Director Dominion Oilcloth & Linoleum Co.

In 1949 the industry's building program made considerable progress, large additions to plant and important installations of equipment having been made. The large amount of construction still unfinished should be pretty well completed in 1950.

In March the Government announced that free trading in flaxseed would be permitted on the Winnipeg Grain Exchange but, planting having been discouraged by the Government, this year's crop was very small—only about 2 million bushels. Only small amounts could be bought below the price of $3.80 per bushel, Fort William, the price at which the Government, through the Wheat Board, is holding a large carry-over of some 9 million bushels for sale. The policy of the Government in maintaining this controlled price to the crushers means high-priced linseed oil—the main raw material of the linoleum industry.

Jute is somewhat more plentiful than it was a year ago, but due to the unsatisfactory situation existing between India and Pakistan, production is curtailed, prices are high and exports severely controlled. Supplies of burlap from Dundee are still on a quota basis but at present the industry has a sufficient supply.

Cotton sheeting prices, after a decline, have advanced again. Supplies early in the year were inadequate but this situation has improved so that we now hope to have sufficient yardage from the Canadian mills.

The devaluation of the pound sterling has not resulted in any lowering of the cost of British imports as many overseas exporters of the raw materials needed in the industry are increasing their prices to offset it. In addition, all supplies from the U. S. are higher in price due to the 10% premium on U. S. funds. With oil, burlap and cotton prices remaining high and increased labor costs, the industry was unable to reduce prices during 1949.

In spite of greatly reduced export trade, due to continued restrictions and dollar shortages in certain foreign countries, our sales have been the highest in the history of the industry.

British linoleum manufacturers have made no price changes since the devaluation of the pound and this fact, together with the Canadian Government's action in removing the dumping duty on linoleum products, though only a temporary measure it is hoped, has meant a large increase in importations from the United Kingdom.

The demand for all linoleum products continues great due to the large amount of building and the outlook for the coming year seems most favorable.

• • •

H. N. Baird

Chairman, National Steel Car Corp.

Collectively speaking, the railway equipment building industry has been active and quite fully employed throughout 1949 completing orders for miscellaneous equipment, both passenger and freight, which orders were placed with the industry during 1948 and early 1949.

For the approaching new year it is reasonable to assume that the railways are interested in additional rolling stock, both passenger and freight, to meet the demands of maintained traffic and industrial expansion, but their ability to purchase will be governed to a great extent by the relief that the railways may obtain in the form of increased freight rates, which problem according to press accounts has of recent date been freely discussed before Government Commissions appointed to deal with the freight rate situation.

In the material market, both lumber and steel, supplies of these commodities are about normal and not much change in price has taken place as of today compared with ruling prices throughout the year.

Export demand from foreign countries is not as keen as it was, which is natural to expect, having in mind industry abroad gradually being restored to more normal manufacturing conditions, likewise supplying home requirements.

Labor is, and has been, co-operative and a continuance of present-day working conditions is to be hoped for.

• • •

Gordon R. Ball

General Manager, Bank of Montreal.

Canadian business will face a growing diversity of influence in 1950 in contrast to the conditions of recent years when most trends were in an upward direction. There are manifest uncertainties in overseas trade prospects and some further contraction in our exports to soft currency markets seems inevitable. On the other hand, U. S. demand for Canadian products should continue in satisfactory volume, with the devalued Canadian dollar being a constructive factor in this regard.

Internally, we may expect to see a continuance of the vigorous trend of industrial expansion, based in part on impressive developments in the field of natural resources. In this respect, Canada, with newly discovered resources of great promise and with the social institutions of mature nationhood, occupies a uniquely favorable position in the world today. For this reason one would look for a continued and increasing interest in the Canadian picture on the part of businessmen and investors outside our own borders.

At the same time, new construction of a nonindustrial nature in the form of housing, municipal facilities and the like should continue at high levels. In summary, while 1950 will pose difficult problems for specific industries and areas, prospects, on balance, seem to point to a reasonably good year and while the over-all level of production may be somewhat lower than in 1949, soft spots that can now be foreseen do not appear sufficiently numerous or serious to bring about anything like a major recession.

• • •

R. D. Bell

President, Greenshields & Co. Inc., and Chairman, Industrial Acceptance Corp.

Continued full employment and maintenance of the existing rate of business activity seems probable for at least the first six months of 1950, with a possible diminution in the second half of the year. This outlook derives from the expenditures likely to be made in the construction industry, and the promise that the present high level of activity in the automotive industries will be sustained.

The possible backing up of exports of our primary products, owing to the lack of markets able to pay for them, produces an offset to the above factors and raises a serious question as to the possible effects this may have, particularly in the second part of the next year.

Pervading the North American economy is the inflationary policy of the United States Government which, while promising to uphold general activity in that country for the foreseeable future, adds to the potential severity of the eventual reckoning.

Under these conditions a substantial volume of new financing and the maintenance and/possible improvement in security markets and prices in Canada for the first part of 1950 seem probable. Beyond that, under the artificial conditions of today's world economy, it is pure guesswork to attempt to foresee.

• • •

Ralph P. Bell

President, National Sea Products

In my opinion the outlook for 1950 is the most uncertain in many years, and stems almost entirely from three things:

First, the continued regulation of currencies by governments, with resulting fictitious values and inconvertibility.

Second, the domination by governments of both international, and even internal trade, so that natural economic laws no longer govern, with the result that business is subject to the whim and caprice of the bureaucrats.

Third, the monopolistic practices of organized labor in the key industries, particularly in the United States.

The fishing industry is one that is particularly susceptible to seasonal fluctuations in price, so that it is difficult to forecast with any degree of accuracy the price trends for twelve months ahead. In the Atlantic branch of this industry I do not anticipate any substantial variation in either tonnage or price, so far as the Canadian market generally is concerned; but in the larger sphere of international fishing and markets, I look for lower prices in Atlantic salt fish, and higher production and lower prices in frozen fish.

• • •

Hal L. Bemis

General Manager, Campbell Soup Co.

Prospect for the food industry, especially canned foods, should be regarded, in 1950, with confidence. Since consumer grocery purchases are at record highs, the volume for canned food consumption should certainly continue to expand for the first half of the new year.

Competition will be extremely active. Sound and aggressive merchandising programs will be more necessary than ever before, if individual companies are to share in this expanded sales volume. Emphasis will be on quality and lack of this attribute will adversely affect the business of some producers.

Commodity trends should move slowly downward in the first half of 1950, but not enough to offset the full effect, during 1950, of higher transportation and labor rates. Canning crop prices, in the new year, are likely to remain at 1949 levels so that, except for distress stocks, there is likely to be little change in the retail prices of most canned foods.

• • •

J. Wilson Berry

President and General Manager, Guaranty Trust Co. of Canada.

I believe that the year which lies ahead, barring an international crisis, will be one of continued prosperity. Doubtlessly we are at a point in the economic cycle at which good business conditions are still being experienced. Savings deposits have reached an all-time high and investment funds for worthy enterprise are plentiful. Housing has had its best year, the shortage in this field is less acute, governmental co-operation with lending institutions is facing up to this problem effectively.

I view with some concern the unwillingness of many people these days to accept responsibility, despite the numerous economic and social advantages which changing times and increased social consciousness of government have provided.

Another problem facing business is the menace of strikes. Neither labor, nor management, nor country can afford them. The immediate participants are not the worst sufferers; consumers, small business and other innocent bystanders are hurt more. Labor and management still have some distance to travel on the road to a common understanding of the economic problems which will continue to require solution.

• • •

J. M. Breen

President and General Manager, Canada Cement Co.

In view of the great activity in construction during the past two years, it would be quite easy to become overly optimistic about the outlook for 1950. However, there are several disturbing factors which may influence construction activity in the immediate future, most important being the present high cost of building. I do not believe that exorbitant prices are being charged for work performed or for building materials generally. Simply stated, the costs of construction vary directly with wage rates — it could not be otherwise when at least 85% of the construction dollar is paid out directly or indirectly to wage earners. Unless wage rates are stabilized at present levels, some curtailment in building will undoubtedly result. So far as producers of building supplies are concerned, every effort will be made to avoid price increases.

The rather extraordinary demands for portland cement during the past two years resulted

(Continued on page 7)

B. S. RUMSBY

Cities Service Oil Company Limited announce the appointment of Mr. B. S. Rumsby to the position of Assistant Secretary and Assistant Treasurer. *

REASON WHY a million Canadians use the B of M...

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Whether you are paying for out-of-town purchases . . . or sending gifts of money, you will find B of M Money Orders and Drafts cheap, safe and convenient. For "rush" transactions, our telegraphic and cable transfer system provides quick action.

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BANK OF MONTREAL

Canada's First Bank . . . WORKING WITH CANADIANS IN EVERY WALK OF LIFE SINCE 1817

E. R. C. CLARKSON & SONS

are pleased to announce that the business formerly carried on by them will in future be conducted by

THE CLARKSON COMPANY

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ASSOCIATED WITH:
CLARKSON, GORDON & CO.
Chartered Accountants
J. D. WOODS & GORDON LIMITED
Management Consultants

IMPORTANT RETAIL MERCHANDISING OPPORTUNITY

Christian's Electric and Hardware which has been operating in Oshawa successfully for many years as the leading hardware and electrical appliance store in the city, featuring hardware and electrical appliances, sporting goods, china, and allied lines is being offered for quick sale as a going concern at a bargain.

EQUIPMENT, STORE FIXTURES, OFFICE EQUIPMENT, TRUCK, ETC. — $15,000

INVENTORY AT WHOLESALE COST

ANNUAL TURNOVER HAS EXCEEDED $400,000

This store enjoys many of the leading Canadian manufacturers' electrical appliances and equipment franchises.

Extensive business interests at Lake Simcoe requiring full-time attention makes this sale imperative at once.

Telephone or write D. H. Christian, Sutton, Ontario, Telephone 184 or Mr. Bailey, Store Manager, Oshawa — Telephone 1000

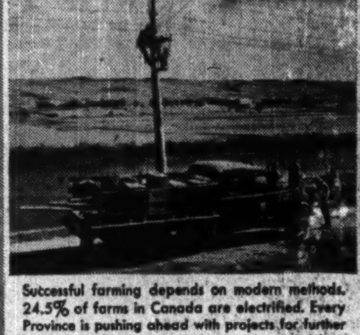
Progress...

This powerful, diesel-electric, ice-breaking train ferry keeps communications open between New Brunswick and Prince Edward Island. All the electrical propulsion equipment was designed and manufactured by Canadian General Electric.

Many Canadian-built diesel-electric locomotives, for which this Company manufactures the electrical equipment are in service on Canadian railroads and are proving their efficiency and economy in switching and main line haulage.

The electric trolley coach has quickly established itself as Canada's most popular public transport vehicle. Wherever it has been introduced, in cities from coast to coast, it has proved itself swift, comfortable, safe and economical.

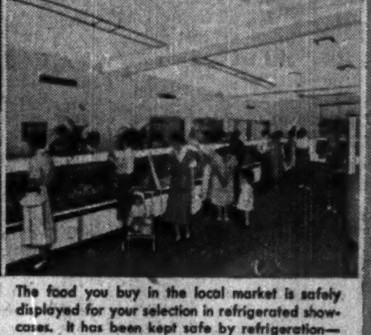
The great airliners and jet planes of today and tomorrow rely more and more on G-E aviation equipment. Canadian General Electric supplies electrical systems, instruments and radio equipment to leading aircraft manufacturers.



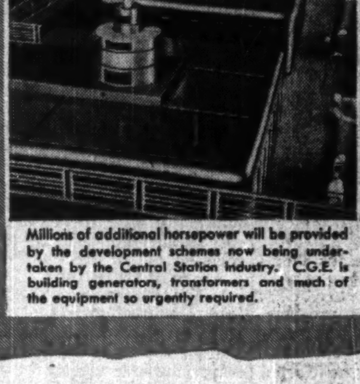
Successful farming depends on modern methods. 24.5% of farms in Canada are electrified. Every Province is pushing ahead with projects for further rural electrification . . . this company is making much of the needed equipment.

Hotels, stores and theatres have been quick to use fluorescent lighting to lend beauty and dignity, warmth and welcome both within and without their buildings. Fluorescent lighting in industry is playing its part in increasing production.

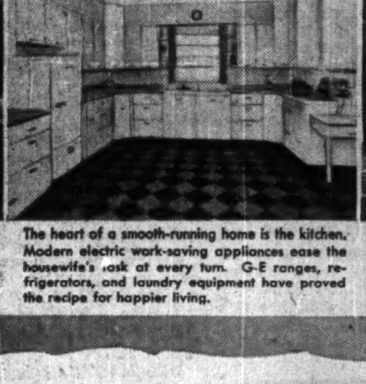
Canadian General Electric manufactures television equipment from the cameras in the studios to the receiver in your home. It is ready with telecasting equipment for the time when Canada sets up her own television network.



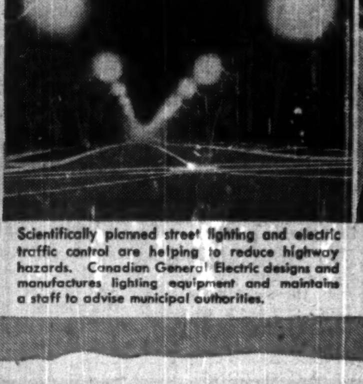
The food you buy in the local market is safely displayed for your selection in refrigerated showcases. It has been kept safe by refrigeration—in the warehouse, in transit—until that moment, C.G.E. is a leader in commercial refrigeration.



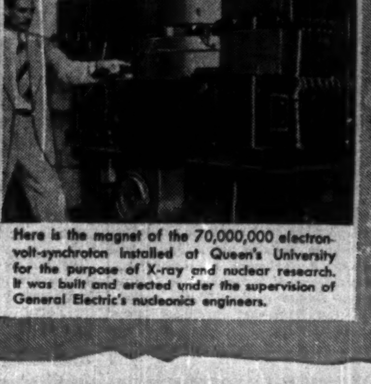
Millions of additional horsepower will be provided by the development schemes now being undertaken by the Central Station industry. C.G.E. is building generators, transformers and much of the equipment so urgently required.



The heart of a smooth-running home is the kitchen. Modern electric work-saving appliances ease the housewife's task at every turn. G-E ranges, refrigerators, and laundry equipment have proved the recipe for happier living.



Scientifically planned street lighting and electric traffic control are helping to reduce highway hazards. Canadian General Electric designs and manufactures lighting equipment and maintains a staff to advise municipal authorities.



Here is the magnet of the 70,000,000 electron-volt-synchrotron installed at Queen's University for the purpose of X-ray and nuclear research. It was built and erected under the supervision of General Electric's nucleonics engineers.

GENERAL ELECTRIC

EQUIPMENT

is making life easier for every Canadian today

The fact that Canadians are the world's largest per capita users of electricity is doing much to shape the pattern of the lives of all of us.

The availability of low-cost electric power is a primary reason for the rapid expansion of our industries. The large use of electricity is responsible for the high individual output of our workers, which results in their greater earning power.

For more than fifty-six years Canadian General Electric has been privileged to play a leading part in this vast electrical development of our country . . . a number of examples of this "electrical way of life" are pictured above.

By continuing to manufacture electrical equipment on an ever-increasing scale, this Company makes life easier, better, fuller for every Canadian today by helping to provide more goods for more people at less cost.

CANADIAN GENERAL ELECTRIC COMPANY LIMITED

INVESTMENTS THIS WEEK

High-Grade Bond Prices Rise, Buyers In Market

The Canadian high-grade bond market ends 1949 about two points higher in price or with yields about 0.20% less than at the beginning of the year, based on prices of long-term Dominions. Prices are however, down about one half a point from the year's highs of early November.

Since Christmas, the high-grade bond market has strengthened and prices of the long-term governments have moved up one quarter of a point.

Major factor in this week's upward movement is said to be good domestic buying, particularly by some of the banks. Added to this is the fact that the indigestion of the market late in November has been pretty well cleared up, according to dealers. As a result offerings are said getting more scarce. Further, pension fund buying is becoming more and more a factor in the bond market. Bonds purchased for these funds are put away and usually do not reappear on the market, which adds to the scarcity factor.

Many investment men feel that the upward trend in high-grade bond prices which received a setback in November and December will again be resumed. Some are again predicting that long-term Dominion 3%'s will go up to the $104-$105 level i.e. back pretty close to their December, 1947, level some time this spring.

One determinant of how high the market may go will be the Government of Canada's decision regarding a new domestic loan in 1950. On the other hand its terms will depend on the market's condition just prior to the time of issuance. One forecaster expects a new Government of Canada loan in the first six months of 1950 which, he believes, would be a 2¾% bond of 15 or 17 years maturity.

The 3% issues of each Victory Loan from the Fifth to the Ninth are currently quoted about $102.50 bid to $103 asked — up $0.25 on the bid side from the previous week. Ninth Victory Loan 3%'s now yield about 2.70% and the Eighth Victory 3%'s about 2.66%.

Dominion 3% perpetuals have also been strong at $102 bid to $102.50 asked, also up $0.25 since the previous week.

In the United States the government bond market has been firm and has edged into new high ground for the year. U. S. Treasury Victory Loan 2½%'s of Dec. 15, 1967/72, which are not eligible for purchase by commercial banks, were quoted $103 27/32, their highest level since July 1946. The record to date for this issue was a price of $106¼, set in April, 1946. At this price they yield about 2.23%.

In the United Kingdom, British Government bonds show a firm undertone at slightly better prices than their lows for this year. British 3% Savings Bonds due 1965/75 are quoted about £94⅝ flat and the 2½% Consols at about £70½ flat as against prices of £91⅜ flat and £67¾ flat early in November.

* * *

Asset Value of Argus Shares Reflects Holdings Value Rise

Reflecting higher market price of its holdings of securities, the indicated asset value of the common stock of Argus Corp. rose 55.6% from May 31 to Nov. 30, 1949 or from $7.81 to $12.15 a share.

Its security holdings which had a quoted market value and cost of which remained unchanged at $18,093,309 for each date, increased in market value from $14,818,-337 at May 31 to $18,388,282 at Nov. 30, an increase of 24.1%.

In the same period Argus common increased 23.9% or $5¾ a share to $7¼ a share. It is now selling about $7 a share to yield about 8.57% on the basis of its 60c annual dividend rate.

During the year $636,110 was appropriated from the investment reserve to write down the values of certain securities having no quoted market value. While Argus Corp. report does not indicate what the securities were, it is generally thought that one item would be its holdings of Peruvian International Airways, now being liquidated. Argus Corp. has never admitted in its reports holding this security but a Peruvian Airways prospectus indicated that Argus held 40,000 convertible preferred shares and 20,000 common shares as of Oct. 24, 1946. At the issue price, this stock would have been valued at $300,000.

* * *

B. C. Forest Products Earnings Above Estimate

Although the net profit of British Columbia Forest Products Ltd. for the year ended Sept. 30, 1949, of $1,208,880 was 53.6% below the previous year's, the net profit is still above the estimate in the prospectus covering the original stock issue.

The prospectus stated that earnings would approximate $846,750 in the first full year after operations were established at the hoped-for target of 200 million bd. ft. annually. During the fiscal year, volume produced and sold reached a new high figure, being in excess of 200 mil lion ft., the report states. The profit was over 42% above the estimated figure.

Lower profits as compared with the previous year resulted from higher production costs, boosted mainly by wage increase which went into effect in July, 1948, accompanied by generally lower selling prices and a more selective market, President E. P. Taylor states in the report.

B. C. Forest Products common is currently selling around $3 a share as compared with an issue price in May, 1946, of $5 a share. At its current price the company would yield 10% on the basis of the 30c total dividends paid in 1949. Earnings for the last fiscal year were equivalent to $0.60 a share as compared with $1.30 in the previous year.

* * *

See Slight Downtrend For U. S. Next Year

U. S. Bureau of Agricultural Economics forecast for 1950, barring unexpected foreign or strike developments, declares:

"A further slight reduction in economic activity and a relatively slow decline in prices appear likely for 1950.

"Aside from the possibility of a substantial increase in defense expenditures, the gradual downtrend in activity that appears probable for next year will be reflected in slightly lower levels of employment and income than in 1949.

"On the basis of presently authorized appropriations, government expenditures will increase through at least the first half of 1950, though at a slower rate than in the past year.

"Unless defense requirements should become greater, present program indicates a tapering off in government expenditures in the latter part of 1950.

"The residential construction boom, supplemented by increasing public housing, is expected to continue in 1950 at a level not appreciably below this year."

In this general business setting, the Bureau expects cash receipts of farmers to be about 10% under 1949 or a drop of nearly $3 billions from this year's level.

TWIN CITY RAPID TRANSIT CO. common and preferred shares will be removed from the trading list of the Toronto Stock Exchange at the close of Dec. 31, at the request of the company.

A. Gordon Nairn, B.A., B.C.L., Executive Vice-President of the Life Underwriters' Association of Canada, has been appointed Director of Agencies for Canada of the Prudential Insurance Company of America. Mr. Nairn's appointment takes effect early in the new year. This is the first major appointment announced by Robert M. Green, Vice-President in charge of the new Canadian Head Office operations of The Prudential Insurance Company of America. *

No Decision Yet On Audit Request Of Nat. Sewer Pipe

No action has been taken yet on the application of certain shareholders for an audit of the books of National Sewer Pipe Co. (see The Financial Post Dec. 24), Ontario's Provincial Secretary, G. A. Welsh, states.

An investigation is under way, as the government wants to be sure that whatever action is taken is in the best interests of all parties, Col. Welsh explained.

There has only been one other request for action under Section 4—(2) of the Company's Information Act of Ontario and that was about 18 years ago, he said. The government feels that it has to be careful and cannot afford to be too precipitous in taking action under this section, he added.

Mex. Light Reorganization Vote Called For February

Holders of securities of Mexican Light & Power Co. and two of its subsidiaries, Mexican Electric Light Co. and Pachuca Light & Power Co., were mailed this week a copy of the plan of arrangement, dated Dec. 1, 1949, affecting their securities. With it were an explanatory circular relating to the plan, notices calling meetings of the various security holders on Feb. 14 to 17, 1950, and forms of proxy and instructions as to voting.

Briefly the plan proposes:

(1) Existing 5% first mortgage bonds of Mexlight and Mexelectric will be exchanged, dollar for dollar, for new 5% first mortgage and collateral trust bonds, series A, due 1975, of Mexlight, payable in U. S. currency.

(2) The existing 5% first mortgage bonds of Pachuca, issued in sterling but payable at holders' option in Canadian dollars at $4.86 2/3 to £1, will be exchangeable on the basis of $4.50 to £1 for series A bonds of Mexlight payable in U. S. currency and due 1975 or at the option of the Pachuca bondholder on the basis of $4.95 to £1 for series A bonds of Mexlight payable in Canadian currency due 1975. This option may only be exercised at the time of surrendering Pachuca bonds for exchange under the plan and prior to Dec. 30, 1950. Pachuca bonds surrendered for exchange thereafter will be exchangeable only for series A bonds payable in U. S. currency. This amount includes capitalization of Pachuca interest from Oct. 1, 1949, to Feb. 1, 1950.

(3) The existing 5% second mortgage bonds and debenture stock of Mexlight, payable solely in sterling, will be exchanged on the basis of $2.80 (U. S.) to £1 for new 5½% cumulative income debenture stock of Mexlight, payable in U. S. currency. Interest will be cumulative from Jan. 1, 1950. Holders of existing bonds will be entitled to receive, on surrender, the interest thereon to Dec. 31, 1949, whether or not earned.

(4) Each $100 principal amount of existing 6% cumulative income debenture stock of Mexlight will be exchanged for 7.2 new preferred shares (par $13.50 each) and 6 new common shares, no par value, of Mexlight. The preferred shares will carry a preferential dividend of $1 a share a year in Canadian currency cumulative from Jan. 1, 1953. Interest accumulated on the existing 6% cumulative income debenture stock will be cancelled.

(5) Each share of 7% cumulative preference stock, par $100 of Mexlight will be exchanged for 10.4 new common shares, no par value, of Mexlight.

(6) Each 20 shares of 4% cumulative redeemable second preferred stock, par $5, of Mexlight will be exchanged for 4.6 new common shares no par value of Mexlight.

(7) Dividend arrears on the existing preference shares will be cancelled.

(8) Each ordinary share no par value of Mexlight will be exchanged for one new common share no par value of Mexlight.

At separate meetings and by the required votes, each class of securityholders affected must approve the plan in the form submitted or as amended, altered or modified with the approval of all classes. Rejection by any one class of securityholders will require abandonment of the plan.

Gross Revenues Set Record But CN Deficit $45 Million

MONTREAL (Staff) — CNR should be relieved of the burden created by debts of predecessor bankrupt companies and costs of non-paying public services, R. C. Vaughan, retiring chairman and president, stated this week in a review of 1949 operations.

The present financial setup is so confused that the public has no way of measuring the efficiency of the publicly owned system, he pointed out. The problem is now being studied by the Royal Commission on Transportation, and it is expected that recommendations will be made designed to reduce the railway's fixed charges which Mr. Vaughan terms "grossly excessive in relation to the earning power."

Despite record gross revenues totaling estimated $499 millions in 1949, CNR will show a deficit of $45 millions after payment of interest on public and government-held debt, taxes, equipment rents and similar charges.

Operating expenses climbed to $480 millions, due largely to higher labor and material costs. This was $15 millions over 1948, against a rise of only $8 millions in revenues. Estimated operating surplus of $19 millions, lowest since 1938, compares with $26.5 millions last year.

Freight Rate Increase

The higher freight rates awarded in March, 1948, were in effect for the full year, and as a result gross revenues were higher despite 10% cut in revenue of freight tonnage. Another factor, of course, was the longer average of haul in 1949—revenue ton miles were down only 6.3%. Passenger traffic was off 5% at 19 million.

Income deficits are still mounting, indicate that higher freight and passenger rates are inadequate, the president said. Interim 8% increase put into effect Oct. 11 represents average increase of 5.87%, added $3,150,000 to 1949 revenues.

The president also noted CNR's recommendation that all forms of transport in Canada should be brought under a central regulatory body, and said that uniform regulations should be established to guard against unfair competitive practices.

Higher pay rates awarded in 1948 were in effect for the full year against 10 months a year ago, added $5.5 millions to this year's costs. New demands have been made for 40-hour week at 48-hour wage scale, plus 7c-10c hourly increase for all but the running trades. The matter is being dealt with by an arbitration board.

Other points covered:

Freight carried — Up: Grain, ores and concentrates, petroleum products; down: coal, pulpwood, lumber, woodpulp, paper and livestock.

Freight cars—No serious shortages now (had minor ones in peak periods in 1949) due to CNR's extensive building program. More than 2,900 freight cars received in 1949.

Diesels—Tests being conducted on Transcontinental service, soon also in Maritimes and Pacific Coast. Got 40 1,000-hp switchers, expect early delivery of eight more, 1,500-hp road Diesels, 18 600-hp road Diesels for P.E.I., 3 electric locomotives.

Passenger—38 cars completed, another 79 due in 1950, under conversion and remodeling program under way in company shops; 25 passenger coaches, 20 roomette sleeping cars due early this year.

Express and telegraph—Both at record volume; increased message rates for telegraph service in July.

Hotels—Number of guests and meals down, but due to higher rates, gross earnings will exceed 1948.

Steamships—Reduction in business due to C.S.U. strike, B.W.I. import restrictions.

GENERAL STEEL WARES LTD. has declared a common dividend of 25c a share payable Feb. 15, 1950, to shareholders of record Jan. 17. Previously quarterly dividends of 20c a share had been paid regularly since May, 1945.

The New Tax Allowances

(Continued from page 2)

metal mine or an industrial mineral mine described in section 1203 of these Regulations, such amount as he may claim, not exceeding 25% of an amount calculated as set forth in subsection (2).

(2) The amount referred to in subsection (1) is the aggregate of all expenses incurred by the taxpayer which are reasonably attributable to the prospecting and exploration for and the development of the mine, prior to coming into production in reasonable commercial quantities, but not including

(a) the cost of properties coming within any class prescribed in Part XI of these Regulations,

(b) any expense deducted in computing the income of the taxpayer in the year of expenditure, and

(c) the cost of a leasehold interest.

(3) the amount deductible under subsection (1) shall not exceed the amount referred to in subsection (2) minus the aggregate of

(a) amounts deducted under subsection (1) in a previous taxation year, and

(b) similar amounts deducted in computing income for the purposes of the Income War Tax Act, in respect of the mine.

PART XIII
Deductions Allowed in Respect of Certain Dividends

1300. For the purpose of subsection (2) of section 11 of the Act, where a shareholder receives a dividend from a corporation carrying on business in Canada the income of which includes mineral profits, the deduction allowed is:

(a) where the mineral profits of the corporation are equal to not less than 25% but less than 50% of its income, an amount equal to 10% of the dividend;

(b) where the mineral profits of the corporation are equal to not less than 50% but less than 75% of its income, an amount equal to 15% of the dividend;

(c) where the mineral profits of the corporation are equal to not less than 75% of its income, an amount equal to 20% of the dividend.

1301. For the purposes of subsection (2) of section 11 of the Act, where a shareholder receives a dividend from a corporation that is not carrying on business in Canada, if the mineral profits of the corporation are equal to not less than 50% of its income, the deduction allowed is 15% of the dividend.

1302. Where a person receives an amount deemed to be a dividend by paragraph (d) of subsection (1) of section 73 of the Act, in lieu of the amount specified in section 1300 of the Regulations, the deduction allowed is 20% of the amount received.

1303. For the purposes of this Part,

(a) "mineral profits" means the aggregate of

(i) those profits of the corporation which are described in sections 1201, 1202 and 1203 of these Regulations, and

(ii) dividends received by the corporation in respect of which a deduction is allowed under paragraph (c) of section 1300 for the taxation year immediately preceding the year in which the dividend was declared by the corporation;

(b) "income" means the income of the corporation for the taxation year immediately preceding the year in which the dividend was declared before any deduction is made under the provisions of paragraph (b) of subsection (1) of section 11 of the Act or under the provisions of subsection (2) of that section, plus an amount not included in computing the income of the corporation by reason of the provisions of section 74 of the Act.

PART XIV
Election by Investment Companies

1400. For the purpose of subsection (2) of section 62 of the Act, an election by an investment company to pay tax under Part I of the Act shall be made by forwarding by registered mail to the Deputy Minister of National Revenue for Taxation at Ottawa the following documents in duplicate:

(a) a letter stating that the corporation elects to pay tax under Part I of the Act, and

(b) a certified copy of the resolution of the directors of the corporation authorizing the election to be made.

1401. An election made under section 1400 of these Regulations to pay tax under Part I of the Act shall be revoked by a corporation by forwarding by registered mail to the Deputy Minister of National Revenue for Taxation at Ottawa the following documents in duplicate:

(a) a letter stating that the corporation revokes its election made under subsection (2) of section 62 of the Act, and

(b) a certified copy of the resolution of the directors of the corporation authorizing the revocation of the election.

SCHEDULE C

1. For the purpose of paragraph (e) of subsection (1) of section 1100 of these Regulations, the amount that may be deducted in computing the income of a taxpayer for a taxation year in respect of a timber limit is the lesser of

(a) an amount computed on the basis of a rate (computed under section 2 of this Schedule) per cord or board foot cut in the taxation year, or

(b) the undepreciated capital cost to the taxpayer as of the end of the taxation year (before making any deduction under section 1100 of these Regulations for the taxation year) of the timber limit.

2. The rate for a taxation year is

(a) if the taxpayer has not been granted an allowance in respect of the limit for any previous year, an amount determined by dividing the capital cost of the limit to the taxpayer minus the residual value by the total quantity of timber in the limit (expressed in cords or board feet) as shown by a bona fide cruise, and

(b) if the taxpayer has been granted or is deemed to have been granted an allowance in respect of the limit for a previous year,

(i) if no rate has been determined under subparagraph (ii) the rate employed to determine the allowance for the most recent year for which an allowance was granted, and

(ii) where it has been established, by evidence filed with the Minister before the taxation year, that the quantity of timber that was in the limit was in fact substantially different from the quantity that was employed in determining the rate for the previous year, a rate determined by dividing the undepreciated capital cost to the taxpayer of the limit as of the commencement of the year minus the residual value thereof by the estimated remaining quantity of timber in the limit (expressed in cords or board feet) at the commencement of the year.

3. In lieu of the deduction otherwise determined under this Schedule, a taxpayer may elect that the deduction for a taxation year be the lesser of

(a) $100, or

(b) the amount received by him in the taxation year from the sale of timber.

4. In this Schedule, "residual value" means the estimated value of the property if the merchantable timber were removed.

SCHEDULE D

1. For the purpose of paragraph (f) of subsection (1) of section 1100 of these Regulations, the amount that may be deducted in computing the income of a taxpayer for a taxation year in respect of property described in class 15 of Schedule B to these Regulations is the lesser of

(a) an amount computed on the basis of a rate per cord or board foot cut in the taxation year, or

(b) the undepreciated capital cost to the taxpayer as of the end of the taxation year (before making any deduction under section 1100 of these Regulations for the taxation year) of property of that class.

2. Where all the property of the class is used in connection with one timber limit or section thereof, the rate per cord or board foot is the amount determined by dividing

(a) the undepreciated capital cost to the taxpayer as of the end of the taxation year (before making any deduction under section 1100 for the taxation year) of the property

by

(b) the number of cords or board feet of timber in the limit or section thereof as of the commencement of the taxation year as shown by deducting the quantity cut up to that time from the amount shown by the latest cruise.

3. Where a part of the property of the class is used in connection with one timber limit or a section thereof and a part is used in connection with another limit or section thereof, a separate rate shall be computed for each part of the property, in the manner provided in section 2 of this Schedule, as though each part of the property were the taxpayer's only property of that class.

SCHEDULE E

1. For the purpose of paragraph (g) of subsection (1) of section 1100 of these Regulations, the amount that may be deducted in computing the income of a taxpayer for a taxation year in respect of an industrial mineral mine described in paragraph (g) of subsection (1) of section 1100 of these Regulations is the lesser of

(a) an amount computed on the basis of a rate (computed under section 2 of this Schedule) per unit of mineral mined in the taxation year, or

(b) the undepreciated capital cost to the taxpayer as of the end of the taxation year (before making any deduction under section 1100 of these Regulations) of the mine.

2. The rate for a taxation year is

(a) if the taxpayer has not been granted an allowance in respect of the mine for any previous year, an amount determined by dividing the capital cost to the taxpayer minus the residual value by the total number of units of commercially mineable material estimated as being in the property, and

(b) if the taxpayer has been granted or is deemed to have been granted an allowance in respect of the mine for a previous year,

(i) if no rate has been determined under subparagraph (ii), the rate employed to determine the allowance for the most recent year for which an allowance was granted, or

(ii) where it has been shown to the satisfaction of the Minister before the taxation year that the quantity of commercially mineable material is, in fact, a different quantity from that employed in determining the rate for the previous year, a rate determined by dividing the capital cost minus the residual value by the quantity so shown.

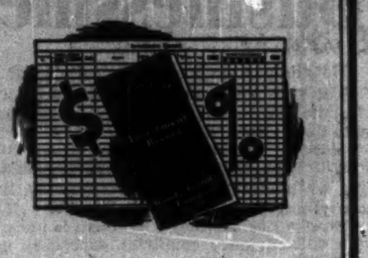
3. In lieu of the deduction otherwise determined under this Schedule, a taxpayer may elect that the deduction for a taxation year be the lesser of

(a) $100, or

(b) the amount received by him in the taxation year from the sale of mineral.

4. In this Schedule, "residual value" means the estimated value of the property if all commercially mineable material were removed.

CANADIAN PACIFIC RAILWAY Co. directors declared a final dividend of 2% on the preference stock, in respect of the year 1949, payable on Feb. 1, 1950, to stockholders of record Dec. 31, 1949.



The New Year is the Time to Start New Projects

One of the easiest ways to keep track of your investments is by opening an "Investment Record"—and the New Year is a good time to start it.

The Record provides:

—Quick reference to your securities.

—Particulars of coupon and dividend rates, maturity dates and cost prices.

—Information concerning investment income, useful for tax purposes.

—Comparison of cost price with current market valuations.

A phone call or note to our nearest office will bring to you a copy of our "Investment Record". If you wish to send us a list of your securities we shall enter them in the booklet and provide an analysis of your holdings without obligation.

Wood, Gundy & Company Limited

Toronto Montreal Winnipeg Vancouver Ottawa Hamilton London, Ont. Kitchener Regina Edmonton New Westminster Victoria New York Halifax London, Eng.

Investment-For-Women Course Proves Popular in Winnipeg

Are women interested in the details and angles of investing? Osler, Hammond & Nanton Ltd. is proving that Winnipeg women are. Earlier this year another investment firm, Wood, Gundy & Co., proved that Toronto women were.

In Winnipeg, Osler, Hammond & Nanton ran three eye-catching advertisements on the society pages of the local daily newspapers and "then quit because we had enough applicants to keep us busy until spring," R. G. McCulloch states. The firm's third series of four-lecture courses was completed before Christmas so that it "graduated" 120 "students" by that time.

The firm plans to run another three courses this winter and to continue the courses in the fall of 1950 if the interest keeps up.

"The idea of having the meetings in our own shop has been a good one. It got people inside a dealer's office and took away a lot of the mystery," Mr. McCulloch states. "We have felt that even though it meant a lot of extra work we like several small classes rather than one big one. It is better to have 40 different women talking to their friends about us over six months than it is to have a couple of hundred talking about us for one month," he added. "Then too, smaller classes encourage freer discussion periods which are held after each lecture."

As a second bow in its current public relations campaign, Osler Hammond & Nanton have published a 24-page booklet, written by members of its staff, entitled "Investments and You." It's a simple, nontechnical book explaining some of the facts about investing in stocks and bonds.

MURPHY PAINT CO. date of payment of dividend declared in its notice of Dec. 12 has been changed from Jan. 3, 1950 to Dec. 31, 1949.

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New Issue
$935,000
CITY OF PORT ARTHUR
3¼% Debentures
Dated December 15th, 1949 Due December 15th, 1950-1964
The purpose of this issue is to pay part of the cost of constructing and equipping a new dial telephone exchange and system for the Port Arthur Public Utilities Commission. The balance ($339,000) of the cost has been paid from accumulated reserves.
Price: On application
Descriptive circular supplied upon request.
We, as principals, offer these debentures, if as and when issued and accepted by us, for delivery in definitive form on or about January 4th, 1950.
BANKERS BOND CORPORATION LIMITED
FAIRCLOUGH & COMPANY LIMITED

INVESTMENTS THIS WEEK

High-Grade Bond Prices Rise, Buyers In Market

The Canadian high-grade bond market ends 1949 about two points higher in price or with yields about 0.20% less than at the beginning of the year, based on prices of long-term Dominions. Prices are however, down about one half a point from the year's highs of early November.

Since Christmas, the high-grade bond market has strengthened and prices of the long-term governments have moved up one quarter of a point.

Major factor in this week's upward movement is said to be good domestic buying, particularly by some of the banks. Added to this is the fact that the indigestion of the market late in November has been pretty well cleared up, according to dealers. As a result offerings are said getting more scarce. Further, pension fund buying is becoming more and more a factor in the bond market. Bonds purchased for these funds are put away and usually do not reappear on the market, which adds to the scarcity factor.

Many investment men feel that the upward trend in high-grade bond prices which received a setback in November and December will again be resumed. Some are again predicting that long-term Dominion 3%'s will go up to the $104-$105 level i.e. back pretty close to their December, 1947, level some time this spring.

One determinant of how high the market may go will be the Government of Canada's decision regarding a new domestic loan in 1950. On the other hand its terms will depend on the market's condition just prior to the time of issuance. One forecaster expects a new Government of Canada loan in the first six months of 1950 which, he believes, would be a 3¼% bond of 15 or 17 years maturity.

The 3% issues of each Victory Loan from the Fifth to the Ninth are currently quoted about $102.50 bid to $103 asked — up $0.25 on the bid side from the previous week. Ninth Victory Loan 3%'s now yield about 2.70% and the Eighth Victory 3%'s about 2.66%.

Dominion 3% perpetuals have also been strong at $102 bid to $102.50 asked, also up $0.25 since the previous week.

In the United States the government bond market has been firm and has edged into new high ground for the year. U. S. Treasury Victory Loan 2½%'s of Dec. 15, 1967/72, which are not eligible for purchase by commercial banks, were quoted $103 27/32, their highest level since July 1946. The record to date for this issue was a price of $106½, set in April, 1946. At this price they yield about 2.23%.

In the United Kingdom, British Government bonds show a firm undertone at slightly better prices than their lows for this year. British 3% Savings Bonds due 1965/75 are quoted about £94⅝ flat and the 2½% Consols at about £70½ flat as against prices of £91⅜ flat and £67¾ flat early in November.

* * *

Asset Value of Argus Shares Reflects Holdings Value Rise

Reflecting higher market price of its holdings of securities, the indicated asset value of the common stock of Argus Corp. rose 55.6% from May 31 to Nov. 30, 1949 or from $7.81 to $12.15 a share.

Its security holdings which had a quoted market value and cost of which remained unchanged at $18,093,309 for each date, increased in market value from $14,818,-337 at May 31 to $18,388,282 at Nov. 30, an increase of 24.1%.

In the same period Argus common increased 23.9% or $5¾ a share to $7⅛ a share. It is now selling about $7 a share to yield about 8.57% on the basis of its 60c annual dividend rate.

During the year $636,110 was appropriated from the investment reserve to write down the values of certain securities having no quoted market value. While Argus Corp. report does not indicate what the securities were, it is generally thought that the item would be its holdings of Peruvian International Airways, now being liquidated. Argus Corp. has never admitted in its reports holding this security but a Peruvian Airways prospectus indicated that Argus held 40,000 convertible preferred shares and 20,000 common shares as of Oct. 24, 1946. At the issue price, this stock would have been valued at $300,000.

* * *

B. C. Forest Products Earnings Above Estimate

Although the net profit of British Columbia Forest Products Ltd. for the year ended Sept. 30, 1949, of $1,208,880 was 53.6% below the previous year's, the net profit is still above the estimate in the prospectus covering the original stock issue.

The prospectus stated that earnings would approximate $846,750 in the first full year after operations were established at the hoped-for target of 200 million bd. ft. annually. During the fiscal year, volume produced and sold reached a new high figure, being in excess of 200 million ft., the report states. The profit was over 42% above the estimated figure.

Lower profits as compared with the previous year resulted from higher production costs, boosted mainly by wage increase which went into effect in July, 1948, accompanied by generally lower selling prices and a more selective market, President E. P. Taylor states in the report.

B. C. Forest Products common is currently selling around $3 a share as compared with an issue price in May, 1946, of $5 a share. At its current price the company would yield 10% on the basis of the 30c total dividends paid in 1949. Earnings for the last fiscal year were equivalent to $0.60 a share as compared with $1.30 in the previous year.

* * *

See Slight Downtrend For U. S. Next Year

U. S. Bureau of Agricultural Economics forecast for 1950, barring unexpected foreign or strike developments, declares:

"A further slight reduction in economic activity and a relatively slow decline in prices appear likely for 1950.

"Aside from the possibility of a substantial increase in defense expenditures, the gradual downtrend in activity that appears probable for next year will be reflected in slightly lower levels of employment and income than in 1949.

"On the basis of presently authorized appropriations, government expenditures will increase through at least the first half of 1950, though at a slower rate than in the past year.

"Unless defense requirements should become greater, present program indicates a tapering off in government expenditures in the latter part of 1950.

"The residential construction boom, supplemented by increasing public housing, is expected to continue in 1950 at a level not appreciably below this year."

In this general business setting, the Bureau expects cash receipts of farmers to be about 10% under 1949 or a drop of nearly $3 billions from this year's level.

TWIN CITY RAPID TRANSIT CO. common and preferred shares will be removed from the trading list of the Toronto Stock Exchange at the close of Dec. 31, at the request of the company.

A. Gordon Nairn, B.A., B.C.L., Executive Vice-President of the Life Underwriters' Association of Canada, has been appointed Director of Agencies for Canada of the Prudential Insurance Company of America. Mr. Nairn's appointment takes effect early in the new year. This is the first major appointment announced by Robert M. Green, Vice-President in charge of the new Canadian Head Office operations of The Prudential Insurance Company of America. *

No Decision Yet On Audit Request Of Nat. Sewer Pipe

No action has been taken yet on the application of certain shareholders for an audit of the books of National Sewer Pipe Co. (see The Financial Post Dec. 24), Ontario's Provincial Secretary, G. A. Welsh, states.

An investigation is under way, as the government wants to be sure that whatever action is taken is in the best interests of all parties, Col. Welsh explained.

There has only been one other request for action under Section 4—(2) of the Company's Information Act of Ontario and that was about 18 years ago, he said. The government feels that it has to be careful and cannot afford to be too precipitous in taking action under this section, he added.

Mex. Light Reorganization Vote Called For February

Holders of securities of Mexican Light & Power Co. and two of its subsidiaries, Mexican Electric Light Co. and Pachuca Light & Power Co., were mailed this week a copy of the plan of arrangement, dated Dec. 1, 1949, affecting their securities. With it were an explanatory circular relating to the plan, notices calling meetings of the various security holders on Feb. 14 to 17, 1950, and forms of proxy and instructions as to voting.

Briefly the plan proposes:

(1) Existing 5% first mortgage bonds of Mexlight and Mexelectric will be exchanged, dollar for dollar, for new 5% first mortgage and collateral trust bonds, series A, due 1975, of Mexlight, payable in U. S. currency.

(2) The existing 5% first mortgage bonds of Pachuca, issued in sterling but payable at holders' option in Canadian dollars at $4.86 2/3 to £1, will be exchangeable on the basis of $4.50 to £1 for series A bonds of Mexlight payable in U. S. currency and due 1975 or at the option of the Pachuca bondholder on the basis of $4.95 to £1 for series A bonds of Mexlight payable in Canadian currency due 1975. This option may only be exercised at the time of surrendering Pachuca bonds for exchange under the plan and prior to Dec. 30, 1950. Pachuca bonds surrendered for exchange thereafter will be exchangeable only for series A bonds payable in U. S. currency. This amount includes capitalization of Pachuca interest from Oct. 1, 1949, to Feb. 1, 1950.

(3) The existing 5% second mortgage bonds and debenture stock of Mexlight, payable solely in sterling, will be exchanged on the basis of $2.80 (U. S.) to £1 for new 5½% cumulative income debenture stock of Mexlight, payable in U. S. currency. Interest will be cumulative from Jan. 1, 1950. Holders of existing bonds will be entitled to receive, on surrender, the interest thereon to Dec. 31, 1949, whether or not earned.

(4) Each $100 principal amount of existing 6% cumulative income debenture stock of Mexlight will be exchanged for 7.2 new preferred shares (par $13.50 each) and 6 new common shares, no par value, of Mexlight. The preferred shares will carry a preferential dividend of $1 a share a year in Canadian currency cumulative from Jan. 1, 1953. Interest accumulated on the existing 6% cumulative income debenture stock will be cancelled.

(5) Each share of 7% cumulative preference stock, par $100 of Mexlight will be exchanged for 10.4 new common shares, no par value, of Mexlight.

(6) Each 20 shares of 4% cumulative redeemable second preferred stock, par $5, of Mexlight will be exchanged for 4.6 new common shares no par value of Mexlight.

(7) Dividend arrears on the existing preference shares will be cancelled.

(8) Each ordinary share no par value of Mexlight will be exchanged for one new common share no par value of Mexlight.

At separate meetings and by the required votes, each class of securityholders affected must approve the plan in the form submitted or as amended, altered or modified with the approval of all classes. Rejection by any one class of securityholders will require abandonment of the plan.

Gross Revenues Set Record But CN Deficit $45 Million

MONTREAL (Staff) — CNR should be relieved of the burden created by debts of predecessor bankrupt companies and costs of non-paying public services, R. C. Vaughan, retiring chairman and president, stated this week in a review of 1949 operations.

The present financial setup is so confused that the public has no way of measuring the efficiency of the publicly owned system, he pointed out. The problem is now being studied by the Royal Commission on Transportation, and it is expected that recommendations will be made designed to reduce the railway's fixed charges which Mr. Vaughan terms "grossly excessive in relation to the earning power."

Despite record gross revenues totaling estimated $499 millions in 1949, CNR will show a deficit of $45 millions after payment of interest on public and government-held debt, taxes, equipment rents and similar charges.

Operating expenses climbed to $480 millions, due largely to higher labor and material costs. This was $15 millions over 1948, against a rise of only $8 millions in revenues. Estimated operating surplus of $19 millions, lowest since 1938, compares with $26.5 millions last year.

Freight Rate Increase

The higher freight rates awarded in March, 1948, were in effect for the full year, and as a result gross revenues were higher despite 10% cut in revenue of freight tonnage. Another factor, of course, was the longer average of haul in 1949—revenue ton miles were down only 6.3%. Passenger traffic was off 5% at 19 million.

Income deficits are still mounting, indicate that higher freight and passenger rates are inadequate, the president said. Interim 8% increase put into effect Oct. 11 represents average increase of 5.87%, added $3,150,000 to 1949 revenues.

The president also noted CNR's recommendation that all forms of transport in Canada should be brought under a central regulatory body, and said that uniform regulations should be established to guard against unfair competitive practices.

Higher pay rates awarded in 1948 were in effect for the full year against 10 months a year ago, added $5.5 millions to this year's costs. New demands have been made for 40-hour week at 48-hour wage scale, plus 7c-10c hourly increase for all but the running trades. The matter is being dealt with by an arbitration board.

Other points covered:

Freight carried — Up: Grain, ores and concentrates, petroleum products; down: coal, pulpwood, lumber, woodpulp, paper and livestock.

Freight cars—No serious shortages now (had minor ones in peak periods in 1949) due to CNR's extensive building program. More than 2,900 freight cars received in 1949.

Diesels—Tests being conducted on Transcontinental service, soon also in Maritimes and Pacific Coast. Got 40 1,000-hp switchers, expect early delivery of eight more, 1,500-hp road Diesels, 18 600-hp road Diesels for P.E.I., 3 electric locomotives.

Passenger—38 cars completed, another 79 due in 1950, under conversion and remodeling program under way in company shops; 25 passenger coaches, 20 roomette sleeping cars due early this year.

Express and telegraph—Both at record volume; increased message rates for telegraph service in July.

Hotels—Number of guests and meals down, but due to higher rates, gross earnings will exceed 1948.

Steamships—Reduction in business due to C.S.U. strike, B.W.I. import restrictions.

GENERAL STEEL WARES LTD. has declared a common dividend of 25c a share payable Feb. 15, 1950, to shareholders of record Jan. 17. Previously quarterly dividends of 20c a share had been paid regularly since May, 1945

The New Tax Allowances

(Continued from page 2)

metal mine or an industrial mineral mine described in section 1203 of these Regulations, such amount as he may claim, not exceeding 25% of an amount calculated as set forth in subsection (2).

(2) The amount referred to in subsection (1) is the aggregate of all expenses incurred by the taxpayer which are reasonably attributable to the prospecting and exploration for and the development of the mine, prior to coming into production in reasonable commercial quantities, but not including

(a) the cost of properties coming within any class prescribed in Part XI of these Regulations,

(b) any expense deducted in computing the income of the taxpayer in the year of expenditure, and

(c) the cost of a leasehold interest.

(3) the amount deductible under subsection (1) shall not exceed the amount referred to in subsection (2) minus the aggregate of

(a) amounts deducted under subsection (1) in a previous taxation year, and

(b) similar amounts deducted in computing income for the purposes of the Income War Tax Act, in respect of the mine.

PART XIII

Deductions Allowed in Respect of Certain Dividends

1300. For the purpose of subsection (2) of section 11 of the Act, where a shareholder receives a dividend from a corporation carrying on business in Canada the income of which includes mineral profits, the deduction allowed is:

(a) where the mineral profits of the corporation are equal to not less than 25% but less than 50% of its income, an amount equal to 10% of the dividend;

(b) where the mineral profits of the corporation are equal to not less than 50% but less than 75% of its income, an amount equal to 15% of the dividend;

(c) where the mineral profits of the corporation are equal to not less than 75% of its income, an amount equal to 20% of the dividend.

1301. For the purposes of subsection (2) of section 11 of the Act, where a shareholder receives a dividend from a corporation that is not carrying on business in Canada, if the mineral profits of the corporation are equal to not less than 50% of its income, the deduction allowed is 15% of the dividend.

1302. Where a person receives an amount deemed to be a dividend by paragraph (d) of subsection (1) of section 73 of the Act, in lieu of the amount specified in section 1300 of the Regulations, the deduction allowed is 20% of the amount received.

1303. For the purposes of this Part,

(a) "mineral profits" means the aggregate of

(i) those profits of the corporation which are described in sections 1201, 1202 and 1203 of these Regulations, and

(ii) dividends received by the corporation in respect of which a deduction is allowed under paragraph (c) of section 1300 for the taxation year immediately preceding the year in which the dividend was declared by the corporation;

(b) "income" means the income of the corporation for the taxation year immediately preceding the year in which the dividend was declared before any deduction is made under the provisions of paragraph (b) of subsection (1) of section 11 of the Act or under the provisions of subsection (2) of that section, plus an amount not included in computing the income of the corporation by reason of the provisions of section 74 of the Act.

PART XIV

Election by Investment Companies

1400. For the purpose of subsection (2) of section 62 of the Act, an election by an investment company to pay tax under Part I of the Act shall be made by forwarding by registered mail to the Deputy Minister of National Revenue for Taxation at Ottawa the following documents in duplicate:

(a) a letter stating that the corporation elects to pay tax under Part I of the Act, and

(b) a certified copy of the resolution of the directors of the corporation authorizing the election to be made.

1401. An election made under section 1400 of these Regulations to pay tax under Part I of the Act shall be revoked by a corporation by forwarding by registered mail to the Deputy Minister of National Revenue for Taxation at Ottawa the following documents in duplicate:

(a) a letter stating that the corporation revokes its election made under subsection (2) of section 62 of the Act, and

(b) a certified copy of the resolution of the directors of the corporation authorizing the revocation of the election.

SCHEDULE C

1. For the purpose of paragraph (e) of subsection (1) of section 1100 of these Regulations, the amount that may be deducted in computing the income of a taxpayer for a taxation year in respect of a timber limit is the lesser of

(a) an amount computed on the basis of a rate (computed under section 2 of this Schedule) per cord or board foot cut in the taxation year, or

(b) the undepreciated capital cost to the taxpayer as of the end of the taxation year (before making any deduction under section 1100 of these Regulations for the taxation year) of the timber limit.

2. The rate for a taxation year is

(a) if the taxpayer has not been granted an allowance in respect of the limit for any previous year, an amount determined by dividing the capital cost of the limit to the taxpayer minus the residual value by the total quantity of timber in the limit (expressed in cords or board feet) as shown by a bona fide cruise, and

(b) if the taxpayer has been granted or is deemed to have been granted an allowance in respect of the limit for a previous year,

(i) if no rate has been determined under subparagraph (ii), the rate employed to determine the allowance for the most recent year for which an allowance was granted, and

(ii) where it has been established, by evidence filed with the Minister before the taxation year, that the quantity of timber that was in the limit was in fact substantially different from the quantity that was employed in determining the rate for the previous year, a rate determined by dividing the undepreciated capital cost to the taxpayer of the limit as of the commencement of the year minus the residual value thereof by the estimated remaining quantity of timber in the limit (expressed in cords or board feet) at the commencement of the year.

3. In lieu of the deduction otherwise determined under this Schedule, a taxpayer may elect that the deduction for a taxation year be the lesser of

(a) $100, or

(b) the amount received by him in the taxation year from the sale of timber.

4. In this Schedule, "residual value" means the estimated value of the property if the merchantable timber were removed.

SCHEDULE D

1. For the purpose of paragraph (f) of subsection (1) of section 1100 of these Regulations, the amount that may be deducted in computing the income of a taxpayer for a taxation year in respect of property described in class 15 of Schedule B to these Regulations is the lesser of

(a) an amount computed on the basis of a rate per cord or board foot cut in the taxation year, or

(b) the undepreciated capital cost to the taxpayer as of the end of the taxation year (before making any deduction under section 1100 of these Regulations for the taxation year) of property of that class.

2. Where all the property of the class is used in connection with one timber limit or section thereof, the rate per cord or board foot is the amount determined by dividing

(a) the undepreciated capital cost to the taxpayer as of the end of the taxation year (before making any deduction under section 1100 for the taxation year) of the property

by

(b) the number of cords or board feet of timber in the limit or section thereof as of the commencement of the taxation year as shown by deducting the quantity cut up to that time from the amount shown by the latest cruise.

3. Where a part of the property of the class is used in connection with one timber limit or a section thereof and a part is used in connection with another limit or section thereof, a separate rate shall be computed for each part of the property, in the manner provided in section 2 of this Schedule, as though each part of the property were the taxpayer's only property of that class.

SCHEDULE E

1. For the purpose of paragraph (g) of subsection (1) of section 1100 of these Regulations, the amount that may be deducted in computing the income of a taxpayer for a taxation year in respect of an industrial mineral mine described in paragraph (g) of subsection (1) of section 1100 of these Regulations is the lesser of

(a) an amount computed on the basis of a rate (computed under section 2 of this Schedule) per unit of mineral mined in the taxation year, or

(b) the undepreciated capital cost to the taxpayer as of the end of the taxation year (before making any deduction under section 1100 of these Regulations) of the mine.

2. The rate for a taxation year is

(a) if the taxpayer has not been granted an allowance in respect of the mine for any previous year, an amount determined by dividing the capital cost to the taxpayer minus the residual value by the total number of units of commercially mineable material estimated as being in the property, and

(b) if the taxpayer has been granted or is deemed to have been granted an allowance in respect of the mine for a previous year,

(i) if no rate has been determined under subparagraph (ii), the rate employed to determine the allowance for the most recent year for which an allowance was granted, or

(ii) where it has been shown to the satisfaction of the Minister before the taxation year that the quantity of commercially mineable material is, in fact, a different quantity from that employed in determining the rate for the previous year, a rate determined by dividing the capital cost minus the residual value by the quantity so shown.

3. In lieu of the deduction otherwise determined under this Schedule, a taxpayer may elect that the deduction for a taxation year be the lesser of

(a) $100, or

(b) the amount received by him in the taxation year from the sale of mineral.

4. In this Schedule, "residual value" means the estimated value of the property if all commercially mineable material were removed.

CANADIAN PACIFIC RAILWAY Co. directors declared a final dividend of 2% on the preference stock, in respect of the year 1949, payable on Feb. 1, 1950, to stockholders of record Dec. 31, 1949.

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Regina Edmonton New Westminster Victoria
New York Halifax London, Eng.

Investment-For-Women Course Proves Popular in Winnipeg

Are women interested in the details and angles of investing? Osler, Hammond & Nanton Ltd. is proving that Winnipeg women are. Earlier this year another investment firm, Wood, Gundy & Co., proved that Toronto women were.

In Winnipeg, Osler, Hammond & Nanton ran three eye-catching advertisements on the society pages of the local daily newspapers and "then quit because we had enough applicants to keep us busy until spring," R. G. McCulloch states. The firm's third series of four-lecture courses was completed before Christmas so that it "graduated" 120 "students" by that time.

The firm plans to run another three courses this winter and to continue the courses in the fall of 1950 if the interest keeps up.

"The idea of having the meetings in our own shop has been a good one. It got people inside a dealer's office and took away a lot of the mystery," Mr. McCulloch states. "We have felt that even though it meant a lot of extra work we like several small classes rather than one big one. It is better to have 40 different women talking to their friends about us over six months than it is to have a couple of hundred talking about us for one month," he added. "Then too, smaller classes encourage freer discussion periods which are held after each lecture."

As a second bow in its current public relations campaign, Osler Hammond & Nanton have published a 24-page booklet, written by members of its staff, entitled "Investments and You." It's a simple, nontechnical book explaining some of the facts about investing in stocks and bonds.

MURPHY PAINT CO. date of payment of dividend declared in its notice of Dec. 12 has been changed from Jan. 3, 1950 to Dec. 31, 1949.

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New Issue

$935,000

CITY OF PORT ARTHUR

3¼% Debentures

Dated December 15th, 1949 Due December 15th, 1950-1964

The purpose of this issue is to pay part of the cost of constructing and equipping a new dial telephone exchange and system for the Port Arthur Public Utilities Commission. The balance ($339,000) of the cost has been paid from accumulated reserves.

Price: On application

Descriptive circular supplied upon request.

We, as principals, offer these debentures, if as and when issued and accepted by us, for delivery in definitive form on or about January 4th, 1950.

BANKERS BOND CORPORATION LIMITED **FAIRCLOUGH & COMPANY** LIMITED

DIVIDEND NOTICES

THE DOMINION BANK

DIVIDEND NO. 269

Notice is hereby given that a dividend of twenty-five cents per share upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st January, 1950. The dividend will be payable at the Head Office of the Bank and its Branches on and after Wednesday, the first day of February, 1950, to shareholders of record of the 14th January, 1950.

By Order of the Board.

A. C. ASHFORTH,
General Manager.

Toronto, 15th December, 1949.

THE CANADIAN BANK OF COMMERCE

DIVIDEND NO. 252

NOTICE is hereby given that a DIVIDEND OF TWENTY CENTS per share on the paid-up Capital Stock of this Bank has been declared for the quarter ending 31st January, 1950, and that the same will be payable at the Bank and its Branches on and after WEDNESDAY, the FIRST day of FEBRUARY, 1950, to Shareholders of record at the close of business on 31st December, 1949. The Transfer Books will not be closed.

By Order of the Board.

JAMES STEWART,
General Manager.

Toronto, 16th December, 1949.

BURNS & CO. LIMITED

Dividend Notice

Directors of the company have declared the following quarterly dividends on Class "A" and Class "B" shares payable in 1950; January 28th, Class "A", $1.40 per share. Class "B", 40c per share. April 28th, Class "A" and Class "B", 40c each. July 28th, Class "A" and "B", 40c each. October 28th, Class "A" and Class "B", 40c each.

Dividends are payable to shareholders of record the 7th day of each dividend month.

BURNS & CO. LIMITED
R. J. Dinning,
President.

(National Trust Company Limited, Toronto, Winnipeg, Edmonton, Vancouver, is the Transfer Agent.)

MERCURY MILLS LIMITED

DIVIDEND NOTICE

Notice is hereby given that a regular quarterly dividend of fifteen cents has been declared on the paid-up no-par value common shares of the Company for the quarter ending December 31st, 1949, payable on February 1st, 1950, to shareholders of record at the close of business, January 14th, 1950.

By order of the board,

W. ALEXANDER,
Secretary-Treasurer.

Dated at Toronto, December 12th, 1949

Dominion Bridge Company, Limited

DIVIDEND NOTICE

A Dividend of FORTY CENTS (40c) per Share (being at the rate of $1.60 per Share per annum) on the Outstanding No Par Value Shares of this Company has been declared for the quarter ending 31st January, 1950; also an extra distribution of ONE DOLLAR ($1.00) per Share from accumulated surplus, both payable 24th February, 1950, to Shareholders of record at the close of business on the 31st January, 1950.

By Order of the Board,

F. W. EVENS,
Secretary.

Montreal, Que.,
20th December, 1949.

Atlantic Wholesalers Limited

DIVIDEND DECLARED

At a meeting of the Directors of Atlantic Wholesalers Limited held at Head Office of the Company at Sackville, N.B. on December 16th., 1949 a dividend of 10c per share on the Class "A" and Class "B" shares of the company's stock was declared payable January 3rd., 1950 to shareholders of record December 16th., 1949.

R. G. SHARPE,
Secretary.

CANADIAN BAKERIES LIMITED

NOTICE is hereby given that a dividend of twenty cents (20c) per share has been declared on the issued common shares of the Company, payable January 16th, 1950, to shareholders of record December 31st, 1949.

By Order of the Board of Directors,

A. GALGER,
Secretary-Treasurer.

Calgary, Alta.,
December 20, 1949

DOMINION WOOLLENS & WORSTEDS, LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of twenty-five cents (25c) per share on the No Par Value Common Shares of the Company will be payable on the 1st day of February, 1950, to Shareholders of record the 14th day of January, 1950.

By Order of the Board.

S. W. HAUFSCHILD,
Secretary-Treasurer.

Toronto, Ont., Dec. 22, 1949.

STANLEY BROCK LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of 15 cents per share on the outstanding Class A Shares of the Company and 10 cents per share on the outstanding Class B Shares of the Company has been declared payable February 1st, 1950, to shareholders of record January 10, 1950.

By Order of the Board,

W. H. BUSBY,
Treasurer.

Winnipeg, Man., December 9, 1949.

McGregor Versus Glass Men

Combine Alleged — Wrongdoing Denied

Few if any government officials have gone out under more spectacular circumstances than Combines Commissioner F. A. McGregor. His flour milling report touched off a national controversy. This week, another report charging a similar price-fixing combine in flat glass hit the front pages. And before the end of the year when his resignation becomes effective, a third report is due on the match industry.

(Independently of the Combines Investigation, the government has asked the Tariff Board to investigate the structure of the flat glass industry in Canada as it affects present tariff schedules.)

The 80-page mimeographed flat glass report published this week named nine jobbers in Ontario and Quebec and the secretary of the trade association to which they belong, W. O. Matthews. Three firms were named as principals:

Hobbs Glass,
Pilkington Brothers (Canada),
Consolidated Glass.

The report says Pilkington and Hobbs between them did 70% of total Canadian business based on 1941 statistics.

Other firms named:

Advance Glass and Mirror, Toronto,
Canadian Plate & Window Glass Co., Toronto,
Queen City Glass Ltd., Toronto,
Excelsior Plate Glass Co., Toronto,
Lloyds Glass Co., Hamilton,
J. P. O'Shea & Co., Montreal.

Companies "Astounded"

Immediately, counsel for the nine firms made a statement to The Post. All were "astounded" that the report had been released while an action to determine their rights was still before the courts. In his report, McGregor admits this but claims completion of the report and the enquiry itself were delayed by unsuccessful action to restrain the report by injunction.

Still smarting from the tanning it took over the delay in publishing the flour milling report, the government took no chances on this one. McGregor's letter of transmittal was dated Dec. 13. By releasing it on Dec. 27, Garson complied with the 15-day period provided by the law between receipt and publication.

At midweek, the firms involved had yet to see the report itself.

Said Lewis J. B. Forbes, vice-president and general manager of Pilkington Brothers (Canada): "We have only seen the newspaper accounts—the report itself has not yet reached us."

Counsel for the companies go farther and charge they have been refused the right to see all the evidence, adding:

"The filing of the glass report with a civil action pending is a denial of civil liberties which Canadians have rightly come to regard as their inalienable right.

"We are astounded that the Commissioner has seen fit to file any report whatsoever," said J. P. Pratt, counsel for the trade association secretary, W. O. Matthews and five firms.

Only Two Price Increases

Up to now, only Pilkington, who along with Hobbs bore the brunt of the McGregor charges, attempted to make a stab at replying to the allegations themselves. Vice-president Forbes' statement points out that there have been only two price increases in sheet glass to the consumer since 1940; one of 5% on July 15, 1947, another of 15% on Feb. 2, 1948 and then only after an increase in the manufacturers' import price.

In plate glass, there has been only one — of 5% — over the last 18 years in spite of wage increase of almost 100%. This has been possible, he said, because of great improvements in manufacturing processes.

He points out further that over the period covered by the McGregor enquiry (from 1928) government indices show that glass has risen less than any other building material listed; 13.4% against 51.9% for the general wholesale index and 94.7% for the average building and construction materials and a high of 165.9% for lumber.

"The real question," Mr. Forbes said, "should be whether or not the glass jobbers have operated to the detriment of the public. Standard products always have a tendency to reach standard prices by competition or by the practice of following the leader. On countless occasions the Canadian Government has regulated prices, recognizing the need to protect industry from wasteful or demoralizing competition on the one hand, and to protect the public from exploitation on the other hand. The evil is not the stabilizing of prices but is the raising of prices to unnecesary and unreasonable levels."

Cartels Alleged

Basis of the alleged combine, according to the report, lies in an international cartel arrangement which persisted until the outbreak of war; gentlemen's agreements among importers and agreements among members of the organized jobbing trades in Canada.

"All," says McGregor, "have played their part in the development of restrictive practices which have affected the Canadian public."

Although many international cartels have been broken up, some by the war, others by U.S. anti-cartel action, the report says that many of the trade practices which grew along with them remain, "resulting in a system of distribution which is still partially monopolistic in character and which limits the possibility of effective competition."

In his investigation, McGregor focussed his attention on the activities of the Ontario and Quebec jobbers through their trade association of which Matthews is the secretary, and which maintains offices in Toronto and Montreal.

While the enquiry delved into alleged combine activities back as far as 1928, developments after glass was decontrolled Jan. 13, 1947 are what the Commissioner really went to town on. He declares that a week after decontrol, leading association members in Toronto held a meeting with Secretary Matthews to discuss prices.

Tenders Identical

"The evidence is clear," says the report "that the prime purpose of joint arrangements among members of the trade was the establishment of non-competitive prices . . . that the so-called 'standard price lists' for plate glass, sheet glass and mirrors . . . covered by the Toronto and Montreal price books of the jobbers' association had all been adopted at conferences of the members. Uniform selling prices were established by agreement. . . . Terms of sale, credit and contract terms were standardized."

The Commissioner's conclusion that "competition has been lessened to a degree which is detrimental to the public interest" is reinforced, he says, by a "contract registration" system operated by the jobbers' association. This results, he said, in all members submitting identical tenders on contracts, thus "substituting the arbitrary determination of prices by a combination of sellers for the protection which the public has the right to expect in the operations of a free market."

The Commissioner also attaches considerable importance to recent developments whereby, he says, the two largest jobbers in Canada and the only independent Canadian producer of sheet glass have been acquired or are under prospective control of the two leading manufacturing companies in the U. K. and U. S. — Pilkington of England and Pittsburgh Glass.

The jobbers: Hobbs, under prospective financial control by Pittsburgh; Pilkington Brothers (Canada) by the parent British firm and Industrial Glass Works, of Montreal the independent Canadian producer, by Pittsburgh. Another significant factor, says the report, is the decision of Pilkington to build a sheet glass factory just outside Toronto.

DIVIDEND NOTICES

Dominion Steel and Coal Corporation Limited

DIVIDEND NOTICE

Notice is hereby given that a regular quarterly dividend of 25 cents per share for the quarterly period ending December 31, 1949, together with a special dividend of one dollar ($1.00) per share, on the outstanding Common Class "B" shares of the Capital Stock of the Corporation has been declared payable on January 25, 1950, to shareholders of record at the close of business on December 30, 1949.

By Order of the Board.

G. C. BROADBENT,
Assistant Secretary-Treasurer.

Montreal, P.Q.,
December 16, 1949.

Dominion Coal Company, Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of 75 cents per share on the outstanding 6% Cumulative Sinking Fund Preferred Stock of this Company has been declared payable on January 25, 1950, to shareholders of record at the close of business on December 30, 1949, said dividend being the regular quarterly dividend of 37 cents per share for the quarterly period ending December 31, 1949, plus a payment of 38 cents per share on account of arrears of accumulated dividends on such Preferred Stock.

By Order of the Board.

G. C. BROADBENT,
Assistant Secretary-Treasurer.

Montreal, P.Q.,
December 16, 1949.

STOVEL PRESS LIMITED

Notice is hereby given that a quarterly dividend of twelve and one-half cents (12½c) per share has been declared on the outstanding 5% cumulative redeemable convertible preferred shares of the par value of $10 each in the capital stock of Stovel Press Limited payable on January 14, 1950, to shareholders of record at the close of business on December 31, 1949.

Dated at Winnipeg this 20th day of December, 1949.

By Order of the Board of Directors.

A. H. STROCK,
Secretary-Treasurer.

The Canadian Converters' Company Limited

Notice is hereby given that the Quarterly Dividend of 18¼ cents per share on the Class "A" shares of $20 Par Value of the Capital Stock of the Company, has been declared for the Quarter ending January 31st, 1950, payable January 31st, 1950, to Shareholders of record at the close of business December 31st, 1949.

By Order of the Board,

THOS. M. BARRINGTON, F.C.I.S.,
Secretary-Treasurer.

Montreal, December 22nd, 1949.

BATHURST POWER & PAPER CO. LTD.

Notice of Dividend on Class "B" Shares

The Board of Directors has today declared a dividend of Fifty cents per share on the outstanding Class "B" shares of this Company, payable on the 1st day of March, 1950, to shareholders of record at the close of business on the 1st day of Febuary, 1950.

R. H. CHRISTIAN,
Secretary-Treasurer.

December 22nd, 1949

BATHURST POWER & PAPER CO. LTD.

Notice of Dividend on Class "A" Shares

The Board of Directors has to-day declared a quarterly dividend of Fifty cents per share, plus an extra dividend of Fifty cents per share, on the outstanding Class "A" shares of this Company, payable on the 1st day of March, 1950, to shareholders of record at the close of business on the 1st day of February, 1950.

R. H. CHRISTIAN,
Secretary-Treasurer.

December 22nd, 1949.

NOTICES

Annual Meeting

The Annual General Meeting of the Shareholders of the bank will be held at the Head Office, 360 St. James Street West, in the City of Montreal, on Thursday, the 12th day of January, 1950, at 11 o'clock, a.m.

By Order of the Board.

T. H. ATKINSON, General Manager.

Montreal, Que.
December 1, 1949.

THE ROYAL BANK OF CANADA

Higher Bill For Steel In New Year

(Continued from page 1)

items — ingots, slabs, billets, blooms, bars, sheets, plates and wire rods.

Meanwhile, the industry is keeping a sharp eye on the efforts of British and European producers to get into the Canadian market. Already, the U. K. claims a 300% increase in Canadian orders. Against $6 million - $7 million worth of tonnage in 1947, the U. K. expects to sell $15-$20 million worth in 1950. This would be in the neighborhood of 200,000 tons.

Big Deals Cooking

Both British, Belgian and Luxembourg producers are putting on a real drive to corner a bigger slice of the Canadian market. Just recently, the U. K. got a juicy order for 16,000 tons of rails for the Pacific Great Eastern Railway extension in British Columbia.

Also cooking is a big deal for special steel used in making agricultural implements. At present this particular type of steel can only be obtained in the U. S. One firm alone buys close to $1 million worth a year (in U. S. dollars). U. K. samples of this steel are now being tested. If satisfactory, U. K. might get half this firm's business.

Set Up Canadian Agency

Some U. K. firms are in the Canadian market on their own. However, at least three got together and set up an agency in Toronto headed by Paul R. Wendt. It is now in the eighth of a 10-week trial period but indications, based on orders already booked, are that it will become permanent.

For the most part, European firms are concentrating on winning customers away from U. S. mills. One big selling point is the saving of U. S. dollars. But they also have to be competitive and give satisfactory deliveries.

On many items they are now promising six-eight weeks delivery and on prices, they were competitive on many items even before recent U. S. increases. Now they are in a better position, pricewise.

What effect the coming increase in Canadian prices will have in the U. K. situation is uncertain. If they can get competitive they may be forced into competition with Canadian mills whether they want to or not; if their prices are lower and everything else is equal, Canadian consumers might turn to the U. K.

Already Belgian steel is said to be below Canadian prices on the west coast and on a par on the East. In the first nine months of 1949, Belgium and Luxembourg exported just over $3 million worth. This was before devaluation. In the same period, U. K. shipped in $6.6 millions worth. This is exclusive of $1.1 millions worth of steel wheels for railway cars. Total tonnage from all European sources: 108,129 tons. Against this, we imported 865,271 tons from the U. S. and produced 2.2 million tons of ingots and castings ourselves in the first nine months.

Despite the possibility of increased competition the primary section of the Canadian industry is looking for another good year. Some producers may not match 1949 records but over all little drop is expected in output. Soft spots have developed in secondary steel, notably foundries, and they may deepen, but the general outlook remains good.

MANAGED INVESTMENT

Nat. Breweries Preferred Bought For Compton Fund

A new stock switch plus higher dividend rates boosts Compton's expected annual income to a record high of $883.13. This is a yield of 8.83% on original $10,000 investment.

The Compton Fund Transactions

	Security	Cost Price	Amount
Purchase			
10	Nat. Brew. (pfd.) ..	$41⅛	$421.75
Sale			
$400	Dom. of Canada 3s, 1957-60	$102⅜	$409.99*

*Includes accrued interest amounting to $0.49.

Compton's Manager Says

These "switches," together with increased rates of dividend by Gypsum, Lime & Alabastine Ltd., (from $1.25 to $1.40); by Canada & Dominion Sugar Co. (from 80c to $1); and by Canadian Celanese Ltd. (from $1.40 to $2.), increased Joseph Compton's expected annual rate of income to a new high of $883.13.

During the month to Dec. 15, Mr. Compton received $71.51 in dividends. At the same time, $56.25 was withdrawn from cash account as per new management agreement which became effective Jan. 1, 1949. Thus cash account on Dec. 15 stood at $54.20.

The Compton Fund Now Stands

No. of Shares		Cost per sh.	*Market per sh.
	Common Stocks	$	$
10	Abitibi	23	21¼
5	Aluminium Ltd.	49¼	57¾
10	Bell Telephone	41¾	40½
10	Building Prod.	28⅞	33½
10	Can. & Dom. Sugar ..	22	22⅛
5	Can. Celanese	26¼	28⅝
5	Can. Industries	19¾	23½
10	Can. Pacific Rlwy. ...	13¼	16⅞
25	Cockshutt Plow	12⅛	15½
20	Consol. Litho.	17¼	23½
5	Consol. Smelters	85	105
26	Gypsum, Lime & Alab.	15⅝	19
15	John Labatt	20	19¾
20	Montreal Locomotive .	18	20¾
15	Nat. Steel Car	19¾	19⅝
10	Powell River	43¾	43¼
20	Simpsons A	26⅛	28⅛
20	Walkers	26¾	36⅝
	Preferred Stocks		
10	Abitibi $1.50 pfd.	20¾	22⅛
30	Can. Wire Box A	23¾	26
25	E. B. Eddy Co. A $1 ..	22	15¾
5	Dom. Glass	35¼	35
5	Loblaw A	30	32
50	McCabe Grain A	11	8¾
10	Nat. Breweries	42⅛	41⅝
25	Riverside Silk A	32½	28½
30	D. Stuart Oil	16¼	16
120	York Knit. Mills A ...	7¾	6¼
	Mining Stocks		
100	Teck-Hughes	3.90	3.05
5	McIntyre	64½	65½
15	Kerr-Addison	16¼	18¼
10	Hudson Bay	45¾	47¾
	Bonds		
$100	Can., 3% 1957/60	100	102¼
$1,300	Can., 3% 1959/62	100.98	102¼
Cash	....		$54.20
Curr. Market Value of Fund	...		$14,220.09
Prospective annual income	....		$883.13
Aver. Yield on Original $10,000			8.83%

*Bid price on Dec. 15.

How New Tax Plan Affects Business

(Continued from page 1)

dends. The old flat rate of 20% is replaced by a new three-rate schedule as follows:

(a) — 10% where mineral profits are equal to not less than 25% but less than 50% of its income.

(b) — 15% where mineral profits are equal to not less than 50% but less than 75% of its income.

(c) — 20% where mineral profits are equal to not less than 75% of its income.

3. An optional provision which permits certain types of investment corporations which have up till now been exempt from income tax to come back into the act so as to give shareholders the benefit of the new 10% dividend allowance on equity shares.

4. Inclusion of a regulation stating the total allowance for depreciation for any year claimed by a corporate taxpayer "shall not exceed the amount deducted in respect of such allowances in computing the income or profit for the taxation year shown on the financial statements presented to the shareholders or members."

Approve Bylaw To Buy Out Idle Brompton Plant

MONTREAL (Staff) — Sherbrooke ratepayers by 4 to 1 last week approved a bylaw authorizing the city to float a $1.5 million bond issue to purchase the power site and mill of Brompton Pulp and Paper Co. at Bromptonville. Proceeds will be used to install new power facilities as well as pay the $725,000 purchase price.

Virtually all power used in the city is sold through the municipal distribution system. When the former Brompton power plant is renovated, an additional 10,000 hp will become available. Negotiations are under way for the sale of the idle pulp and paper mill buildings.

STANDARD PAVING & MATERIALS LTD. additional 12,574 preferred shares have been surrendered for conversion into 25,148 common shares. This reduces the number of preferred outstanding to 49,482 and increases the number of common outstanding to 186,388 shares.

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EXECUTIVE

Manufacturing company with headquarters in Montreal requires senior official directly responsible to president as chief financial officer. This position carries a high salary and is an exceptional opportunity for a man with thorough administrative experience and background and well-developed leadership and organizing ability. Please furnish full particulars of experience and qualifications and enclose snapshot or photograph. All replies will be treated in confidence.

BOX NO. 372,
THE FINANCIAL POST, TORONTO.

NOW that Newfoundland is a part of Canada and rightly recognized as the fourth "Maritime" Province, new frontiers and new markets are open to aggressive industrialists.

The Maritimes have an unrivalled location for the export trade because they are situated nearest the leading overseas world markets and blessed with plenty of the basic raw materials such as coal, steel, wood, power, etc. Moreover, these seaboard provinces have forward-looking labor legislation that is the envy of the whole of Canada, and thus new industries are assured of steady, dependable labor that is also naturally versatile and easily trained.

That Nova Scotia, as the commercial center of the fast-growing Maritime Region, is a logical location for new industries is proven by the recent influx of numerous new enterprises from the European Continent, the United States and elsewhere. If you, too, want ready access to economical shipping and transportation facilities in an area where a lively LOCAL market is already established and expanding, you're invited to investigate Nova Scotia. Write for full particulars.

DEPARTMENT of TRADE and INDUSTRY
HON. HAROLD CONNOLLY — Minister
HALIFAX • NOVA SCOTIA

Slow Progress on Vital Job

In a joint statement last week the Governments of Canada, the United Kingdom and the United States reported some steps toward standardization of military equipment. With the last war ended almost five years ago, and the danger of another one still far from removed, the slight progress announced so far toward a goal that must be achieved is not very reassuring.

Surely by this time at least standardization of the more common weapons and equipment should have been achieved. In the first World War of 35 years ago the Allies did better than that, with the great new American armies of 1918 equipped with British type rifles and either French or British artillery.

In the last war we had some experience with the risks involved when the arms and equipment of each nation were not interchangeable. In 1940 the combined armies of France, the British Empire, Norway, Belgium, Holland and Denmark outnumbered those of Germany. But the former were far weaker because each national group depended upon its own national supply of arms and equipment. Once the arsenals of one country were overrun or destroyed the armies of that country were without any tools to continue the fight. Battles were lost because armies ran out of their own types and sizes of munitions, supplies lines were overburdened in trying to carry a dozen different sizes of similar but not identical equipment.

If the Atlantic Pact nations hope to develop their fullest defensive power, then not only must they have a common command but also a common supply of weapons and munitions.

At the exploding end of this grim business it doesn't make a bit of difference whether a shell is six inches in diameter or 6.1. But for the gunner who does the firing the shell must fit exactly or it is of less use than a club or a fist-sized stone.

And the same rule holds right down the line. Every bit of equipment from the tiniest bolt to the largest casting must be identical or the joint forces we may have to put in the field cannot reach their maximum efficiency. If the military staffs working on arms standardization do not realize the importance of this then they should be asked to consult some industrialists who do.

This is far too big and too urgent a problem to be left in the hands of any one group or of any one nation. All groups and all nations can and should be allowed to contribute. Alternative and widely separated scources of supply are essential.

Any obsolete regulations, like those which prevent U. S. forces from buying and in some cases selling abroad must be scrapped. An American army fighting along the Elbe may be glad indeed to get munitions from nearby Belgium or Holland but it won't be able to unless such supply bases are established before war comes. The next time we on this continent may not be granted the necessary breathing spell to marshall our industrial strength.

"Clipping the Coinage"

By 1970 it won't pay to be educated. College graduates will earn less than manual laborers; frustration and disappointment will be the lot of a great many of them.

So says Seymour Harris, Harvard teacher, in his new book "The Market for College Graduates."

His argument is that by 1970 there will be about four times as many living graduates as there were in 1940; that most will aspire to jobs in the professions; that there won't be nearly enough room to accommodate them.

Presumably we're supposed to be very sad about this situation. Our tears refuse to come.

The reason: A goodly percentage of college graduates will do better at manual than at intellectual work.

Canada's college population in 1921 was 22,000. Now it's over 90,000.

The universities, most of them dependent on government financial aid and most of them infected with the 20th century mania for bigness, have so "clipped the coinage," made the attainment of a degree so easy that they regurgitate a great rabble which includes a lot of people whose claim to intellectual capacity is, to say the least, small.

The idea that a college graduate can think, can think straight and can be a better, happier citizen than other people is under the present university system just a superstition.

Some day we hope some university will bring distinction to itself by forgetting about the aim of growing big in numbers and by focusing on quality.

The present policy of graduating hordes fills too many youths, maidens and parents with delusions, which inevitably cause waste and grief in later years.

When the State Keeps Store

In most of the government liquor stores this week and last we had an example of what life would be like if the state ran all the business.

To make a purchase that an ordinary private store would handle in a few minutes even at Christmas, took from half to three-quarters of an hour. In many cases the customer was required to enter three separate queues, some of which wound in and out of every corner in the store and around every pillar. And when he did reach the goods counter the buyer often found a slow-motion clerk who, in producing a bottle, would put the most reluctant host to shame.

It is no wonder that production is so slow in those countries where the state runs everything or tries to. By the time the citizen queues up for his food, his clothing and whatever else his government graciously allows him to buy, he would have little time for anything else.

Must Raise Our Sights

One of the candidates in the Toronto municipal election asked support on the grounds that both his home and his business were located in the particular ward he hoped to represent in council.

Surely that is carrying this business of super nationalism to its highest and dizziest extreme. If there is anything in this candidate's argument then the very best man in any community is the one that neither travels nor trades outside it. That sort of thinking would take us straight back to the stone age when everything outside the cave was regarded as foreign and hostile.

It may be desirable, though it is by no means essential, for public representatives to live in the constituency they represent. When they do that there is some assurance that they will be familiar with local problems and conditions. But to have them confine all their activities to such narrow boundaries is not only absurd but dangerous.

If this country is to make any progress in the next half century we will have to get our sights raised a great deal higher than our backyard fence. We must elect men who first and foremost are Canadians, willing and anxious to do business not only with the man in the next ward, city or province, but with any country. We are not going to get anywhere by attempting to wall off every community.

Try Again, Mr. Abbot

Does the act to amend the Income Tax Act and the Income War Tax Act indicate Finance Minister Abbott has changed his mind about the need of clarity and simplicity in legislation? The Financial Post is afraid it does.

In referring to the income tax act in his budget speech of April 1947, Mr. Abbott stated:

> "We have been busy during the past year upon the re-writing of our basic income tax law in an effort to improve its arrangement, to make it clearer and simpler, and to remove ambiguities and anomalies . . . Senior officials of the Departments of Justice, National Revenue and Finance have spent many months on a very detailed revision. I have taken a considerable personal interest in their work in this field."

Speaking to the Institute of Chartered Accountants of Ontario in March 1948, regarding the new income tax act, Mr. Abbott stated, "I think the draftsmen of Bill 454 have done an admirable job in expressing ideas in clear precise English—avoiding both the Scylla of extreme legalistic jargon and the Charybdis of 'the man in the street's' conversational phrasing which is often capable of many meanings." He said he felt the best that could be done to keep the language simple was "to keep the pressure on lawyers like me to avoid legal jargon that is unnecessary, and as far as practicable to use language that is intelligible to the layman as well as to the Courts."

Bill 176 which was to amend the Income Tax Act and Income War Tax Act is very ingenious and well worked out, according to tax experts. But despite Mr. Abbott's explanation that the changes were mainly for "drafting improvement" it can hardly be said to be in simple English and to make for clarification in the minds of the ordinary taxpayer. Some sections are highly complex and difficult to understand even for professional tax experts.

This is unfortunate. No one likes paying income taxes. And it would seem to be adding insult to injury to make the rules so complicated that many will have to employ professional help to figure out their liability.

Without Profits We Fail

Those people who talk glibly of doing away with profits know nothing about business either under private or public enterprise. To do away with profits is to destroy business, end employment of free labor and kill communities.

To the shareholders of the Dominion Bank at their annual meeting President Robert Rae said:

> "No business can long escape failure if it fails to make a profit. Every business failure means hardship for a number of people. It means that proprietors and employees lose their source of income. It sometimes means that a community loses an essential service. Such unfortunate results stem directly from absence of profit in a particular business and, even in socialist areas, businesses have been closed and men thrown out of work when they fail to make a profit.
>
> "Those who condemn profits do so blindly and with no knowledge of what profits are nor of the disposition made of them. Profits furnish incentive and make jobs in a system of ordered free enterprise. The system is tried and proven and will not lightly be discarded for systems which are untried here.
>
> "Under this country's business and taxation systems profits cannot constitute an undue exaction upon the population; they merely provide a fair return on the capital invested and, in addition, reserves for those replacements of capital equipment which, in these days of higher labor and material costs, require much more money than ever before."

That pointed summing up would make an excellent editorial for every newspaper in this free country and a lesson to be taught in all our schools.

Bonus Gets Results

Recently Herbert Morrison urged a policy of higher pay for more production. This shocked many of his Socialist colleagues, whose policy has been "to each according to his need," and not "to each according to what he contributes to the nation's welfare."

Mr. Morrison probably did not realize how widely British industries have already adopted piecework rates of payment or, alternatively, bonus plans that add a tidy weekly sum to the pay envelope when a worker or team of workers beat their quota of output. These plans are in general, supported by labor unions in the factories. The exceptions—unions that insist on restrictive practices (known over here as "featherbedding")—get publicity out of proportion to their true numbers and influence.

British plants adjust the bonus schemes to individual conditions. Wherever possible, they are applied to each worker according to his own output. If several people are working as a gang or team, the bonus goes to the group. One result is that the workers themselves weed out the misfits who are costing them money; they ask to have slow workers shifted to other jobs.

Leonard P. Lord, Chairman of Austin Motor Company, has introduced an incentive bonus plan that combines an appeal for greater productivity with the Englishman's love of gambling. The bonus money at his huge Longbridge assembly plant is paid into a pool; members are drawn from a hat and six or seven workers each week draw first, second, third prizes, etc.

In a good week, the first prize will run between £500 and £600, more than a year's pay to the worker getting it.

Probably we have too many attorneys-general in Canada to make the plan a feasible one here. But how the Austin workers love it! It gets results.

Napier Moore's Scratch Pad

THERE SEEMS to be general agreement that this year's Christmas card crop was a bumper one. Personally we have spent hours pleasantly perusing several hundred greetings from friends scattered all over the world. Also, we have spent not a little time working on some unsolvable puzzles.

The cards we received are divided into two groups. In the main group are those whereon, in print or clear handwriting the names of the well-wishers are plainly inscribed. In the smaller group are cards bearing inked lines like unto the seismograph recording of an earth tremor. In other words, we can't decipher the signatures.

Obviously these cards are from warm-hearted people who regard print as too impersonal. They have so many friends that before they get down to the M's on their Christmas card list they have writer's cramp. We value the good will of everyone who sends us a card. So what we do in such cases is this: We keep the cards we can't unravel. Sooner or later we'll get a letter signed with the identical blurr. And, underneath, a thoughtful secretary will have typed the man's name. So within the next ten years we'll know who wanted us to have joy and prosperity throughout 1950.

• • •

ONE CARD which fascinates us, and it is most clearly inscribed, bears on its front a picture of the Macleod Hotel as it was in the frontier days of Alberta. Inside are the "regulations" laid down by Harry Taylor, the colorful original proprietor. They read:

Boots and spurs must be removed at night before retiring.

Every known fluid (water excepted) for sale at the bar.

Special rates to gospel grinders and the gambling profession.

Towels changed weekly. Insect powder for sale at the bar.

No kicking regarding the food. Those who do not like the provendor will get out or be put out.

Assaults on the cook strictly prohibited.

Quarrelsome or boisterous persons, also those who shoot off, without provocation, guns or other explosive weapons on the premises, and all boarders who get killed, will not be allowed to remain in the house.

When guests find themselves or their baggage thrown over the fence they may consider that they have received their notice to quit.

Jewelry and other valuables will not be locked in the safe. The house has no safe.

In case of fire the guests are requested to escape without delay.

The bar will be open day and night. Day drinks 50 cents; night drinks $1.00. No mixed drinks will be served except in case of a death in the family.

Only regularly registered guests will be allowed to sleep on the barroom floor.

Guests without baggage must sleep in the vacant lot and board elsewhere until their baggage arrives.

No cheques cashed for anybody. Payment must be made in cash, gold or blue chips.

Meals served in own rooms will not be guaranteed in any way. Our waiters are hungry and not above temptation.

To attract attention of waiters or bellboys, shoot a hole through the door panel. Two shots for water, three for a deck of cards.

Tariff.

Board $25 per week

Board and Lodging $40.00 per week with wooden bench to sleep on

Board and Lodging $60.00 per week with bed to sleep on

Extra

Towels — Soap — Candles.

• • •

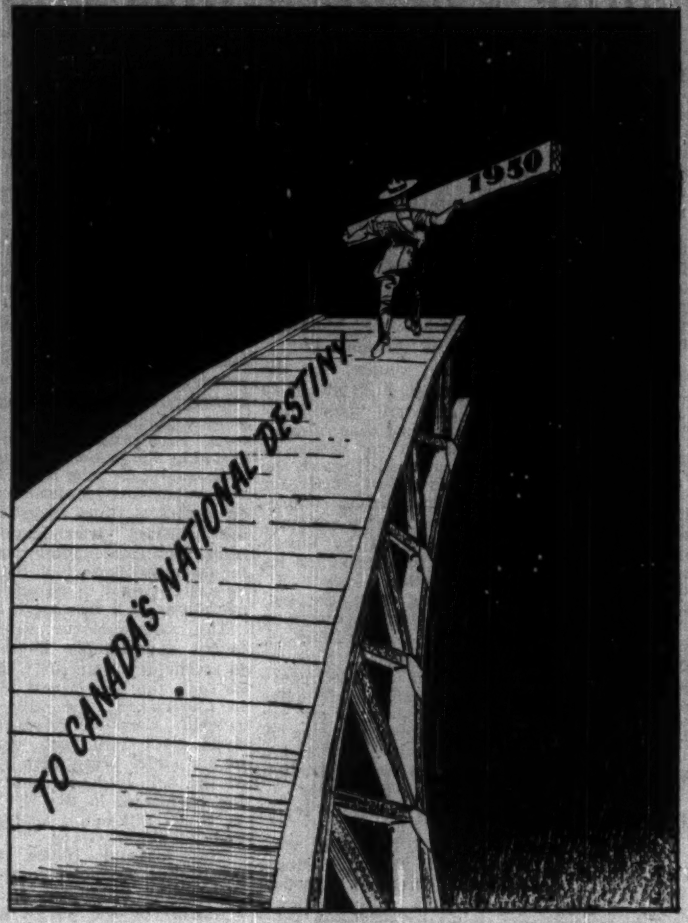
ONE OF NEXT YEAR'S sad events will be the passing of the Strand, one of Britain's most famous magazines. Born in 1891, it will cease publication in March, 1950. We don't know of any publication which, in its youth, had a better circulation builder than the Sherlock Holmes stories of Conan Doyle. People used to line up at the bookstalls to buy each issue. To a mass audience the Strand introduced Rudyard Kipling, H. G. Wells, P. G. Wodehouse and many others, including, in 1906, a journalist who, while he branched into other spheres with some success, remains to this day a writer by profession. His name is Winston Churchill.

We know well of the last of the old school of Strand editors, Reeves Shaw. Since his retirement his successors have been younger and in touch with the times. But it seems to us that they haven't had the Strand touch, and the times have beaten them with wartime paper shortages and ever rising postwar costs.

• • •

ACCORDING TO Rev. Frank Jennings, a London clergyman who has been intimate with gypsy life for 50 years, the Romany good luck tip is "Take a nutmeg, cut it in four quarters, put them in water, dry them and keep them under your pillow for three nights— and you'll have love and joy for evermore."

Whatever you do, we hope you'll have a Happy New Year.



Cartoon by Grassick.

Post Scripts

Working Vice-President

For years Thomas Herbert Gooch, director of agencies of the Canada Life Assurance Co., had planned to take part of his annual vacation in Alberta visiting an old farmer friend, helping with the fall work, getting in a few days duck shooting. While he had planned his stay for only a few days, he had looked forward to it with a lot of pleasure, feeling that it would give complete relaxation. This fall the stars were propitious and off he went.

MR. GOOCH

Thus, he was out in the field picking potatoes when he got a message from the house that there was a long-distance call for him from Toronto. All sorts of thoughts went through his head. Was somebody sick at home? Was there something at the office that needed his immediate attention? Rather apprehensively he took up the receiver to hear the operator say that E. C. Gill, vice-president and general manager of the Canada Life wanted to talk to him. This made him wonder more. Gill's conversation was brief, merely, "Hello, Bert, Mr. Baker (president of the Canada Life), wants to talk to you." Mr. Baker's message was to tell him that he had been appointed a vice-president of the company in charge of agencies. With the good news Gooch's blood pressure went back to normal, he went back to his potato picking and the next day got his quota of ducks.

The appointment of three of its key officers, who are not directors of the company, to the rank of vice-president, in charge of different departments (J. Gordon Beatty, chief actuary, W. J. Beattie, assistant general manager, since deceased, were the others), sets a precedent in organization for Canadian life insurance companies. The practice, common among Canadian industrial companies and United States life insurance companies, has been unknown in the life insurance business in Canada previously.

Vice-president Gooch comes of an insurance family, although not a life insurance family. His father, F. H. Gooch was a partner in the well-known Toronto firm of Evans & Gooch, general insurance agents. An elder brother, Jack, star hockey player, was killed in the first world war.

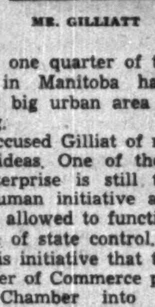
Bert Gooch, born in 1904, was educated at Rosedale Public School, University of Toronto Schools and Trinity College School, Port Hope. He took one year at Varsity and then, deciding to go into business, got a job in the accounts department of the Canada Life. But the agency side of the business attracted him and while continuing in the accounts department he started selling in his spare time. A head office employee could get an agent's license in those days and, thus armed, young Bert Gooch made the company's Production Club six times until he transferred to full-time agency work. There he advanced rapidly; was assistant educational supervisor for a while, then on conservation work; became superintendent of agencies in 1941, director of agencies 1946. Above medium height, dark haired, turning grey, clean shaven, Gooch in his spare time likes to hunt, fish and play golf.

On a bookcase in his office is the silver cup emblematic of the championship of the Canadian Life Insurance Officers Association, which he has won several times. When in real good form he plays in the 70's. He is married, his wife was formerly Muriel Margesson of Toronto. They have three daughters.

• • •

Prairie Booster

Election of Edward Cecil Gilliat of Winnipeg as president of the Manitoba Associated Chambers of Commerce puts at its head one who in the last 20 years is credited with having done most to bring it to its present state of effectiveness. With recent rapid development of rural electrification in Manitoba MACC has developed into a lusty organization. The trend is now toward decentralization of industry and in the last three or four years about one quarter of the new industries in Manitoba have been outside the big urban area of greater Winnipeg.



MR. GILLIATT

No one ever accused Gilliat of not having definite ideas. One of these is that free enterprise is still the best field for human initiative and that it should be allowed to function with a minimum of state control. It was in fact on his initiative that the Winnipeg Chamber of Commerce put the Canadian Chamber into its present free enterprise campaign.

Gilliat set out early in life to be an architect. Born in Nottingham, England, in 1887, he was educated in English board schools before getting apprenticed to an architect. He came to Canada in 1905, locating at Regina, where he says he worked at "anything and everything" before filing on a 160-acre homestead at Nokomis, Saskatchewan.

These sundry jobs accumulated enough reserve for one return trip to England in 1908. This journey convinced him he would be satisfied to locate in the prairie west and he came back to join a farm implement firm at Saskatoon. He remained with it until 1920. Then he went to Vancouver.

His big move was in 1922 when he came to Winnipeg as credit manager for an oil company. He had this job for only a brief period and accepted an appointment as manager of the Manitoba Division of the Canadian Credit Men's Trust Association. He was one of the founders of the Canadian Credit Institute and is a charter member. In April 1928, he was appointed managing secretary of the Winnipeg Board of Trade, now Chamber of Commerce.

He promptly proceeded to develop a five-year plan of major activities and coincident with it put on a campaign which resulted in a 50% increase in membership.

A largely built man, bald save for a silver fringe, and fortunate to always enjoy good health, Gilliat is one of the best known career men in the Chamber of Commerce field in Canada. During the war his services were requisitioned by the Manitoba Division of the National War Finance Committee as sales conference manager. He became provincial chairman of its speakers committee.

His interest in the Chamber of Commerce does not quite occupy his time. He used to be interested in golf. He quit, for two reasons he says, that it took too much time and the technique of his game was too hard on the turf. His reserve energies are now devoted to the Gilliat garden at his home.

Married in 1912, he has two children. His son was killed in action in Italy in the last war.

Stop Me If—

Husband, struggling with budget, to wife: "We should have saved during the depression so we could live through prosperity."

• • •

"Have you any alarm clocks?" inquired the customer. "What I want is one that will rouse my husband without waking the whole family."

"I don't know of any such alarm clock as that, madam," said the shopkeeper. "We just keep the ordinary kind that will wake the whole family without disturbing your husband."

• • •

He was in deep disgrace, and, try as he would, he could not get a smile out of his wife at breakfast.

"Are you cross with me because I came home with a black eye last night?" he asked in desperation.

"No," replied his wife, tersely, "you hadn't got it when you came home."

What Others Are Saying

Editorial of the Week

Before We Get Hurt

Winnipeg Free Press

When governments are forced, as they must eventually be forced, to throw overboard this expensive policy (of farm price supports), the results can easily be catastrophic for the farmers who enjoyed its short-term benefits. The accumulated surpluses, rolling in a great flood across the market, may depress prices to bankruptcy levels. Eventually a sound balance will be restored with prices acting, as they should act, as the true regulators of supply and demand. But in the meantime, many farmers will be ruined.

How much better it would be if the Government had the wisdom and courage to act before they accumulated huge surpluses and before their hands were forced into dumping these surpluses willy-nilly. In Canada, the surpluses so far are generally not great, except in dairy products. A gradual retreat from the farm subsidy program, if started now, would involve no real harm to anyone. Production would then be restored to its only sound basis, the basis set by public demand. However attractive floor prices, subsidies and other forms of government hand-outs may seem at the moment, in the end they cannot but injure the farmers of this country.

Other People's Views

CANADA has not been very good to her Indians, asserts the **Vancouver Province.** "She has kept them under tutelage too long. She has not encouraged them to become citizens in their own right. She has advanced herself but left them in a backwater. It is time she changed her whole policy with respect to them."

ARE WE IN DANGER of growing too much wheat? The **Lethbridge Herald** thinks so. "Canada did not raise a good crop in 1949, with the result that we have no burdensome surplus such as is worrying U.S. agriculturists. But, if we maintain our present acreage, one of these years we will come a cropper."

IT COSTS TOO MUCH to collect the radio license tax says the **Vancouver Province** which agrees with those who would abolish this levy altogether, paying CBC costs out of general revenue. Doing so, it is argued "would put the cost of national radio on the whole nation, catching up with those who now contrive to avoid buying a permit."

COMPARING the slow progress of the Bell Telephone Co. in getting its rates raised, with the abrupt announcement of a rise by the Ontario "Hydro," the **Peterborough Examiner** observes:

"What a glorious thing it is that we have governments to protect us against the wickedness of private companies! And how wonderful life would be if all services were in government hands, so that we would never have to use our heads again! We would simply have to do what we were told (as in the case of 'Hydro') for of course protest against such things is not merely useless but also downright ungrateful and suspicious. And we mustn't be suspicious, must we? Except, of course, of private enterprise."

UNIVERSITIES are not red, cautions the **Edmonton Journal** which points out:

"In connection with these recurring charges of 'Communists on the campus,' there are two points which should be borne in mind. One is that most of the students are at an age when they love to shock their elders by taking up strange and radical ideas. It is a disease of youth, like measles and whooping-cough, and as quickly outgrown.

"The other point is that university professors, by virtue of their position, are fairly conspicuous figures in their communities. If they get into trouble, everybody hears about it. If a professor makes a fine speech on 'our way of life,' few are likely to hear about it or heed it if they do. But if a Ph.D. says a good word of Karl Marx, it's headline news."

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Dec. 31, 1949

Businessmen Discuss Prospects in Canada for 1950

(Continued from page 3)

in a temporary shortage. With our increased productive capacity now in full operation, I confidently expect that Canadian producers will be able to take care of all demands in the future.

• • •

Paul Bienvenu

President, Catelli Food Products, Ltd.

In order to make an accurate statement on the outlook for the coming year, it would be appropriate to at least have a crystal ball in front of me to indicate that supernatural powers will probably be necessary. Of course, I do not possess these powers but I will venture to say that until the law of supply and demand is given a better chance to operate freely, the future will be one of uncertainties.

My company has the privilege to supply the Canadian public with food products and, dealing more specifically with those, I believe that present level of prices will most likely have to bear a slight increase early in 1950 to cope with higher freight rates and cost of labor. Devaluated currencies confuse the outlook in export markets, with perhaps but doubtful increases south of the border.

• • •

Samuel Bronfman

President, Distillers Corporation-Seagram's Limited.

While the world is now at peace, there are unfortunately disturbing undercurrents. Democracy still has to remain well fortified and prepared for any emergency. In world trade, the war left in its wake some very unsettled after-effects.

While it is too early to assess the results of the far-reaching economic steps taken recently by leaders of the Western world meeting in Washington, it is clear that the object must be the achievement of a pattern of world trade in which the dollar and non-dollar countries can live and trade together with one single multilateral system.

One of the major problems facing Canadian export business today is centred in currency restrictions and tariff barriers. They are the subject of constant study by our business leaders in their efforts to expand business in the markets of the world.

Business must build soundly so that it may adjust itself to the ever-changing demands of the modern world. This basis provides a source of confidence and security for operations in the future.

• • •

E. G. Burton

President, Robert Simpson Co.

Retail business in 1950 should be maintained at a high level. It will be more competitive than at any time since 1939, giving assurance that customers will get better values, and better selection for every dollar spent. The number of dollars available for spending by Canadians will be down, mainly due to the absence of the large government special payments such as Compulsory Saving Returns, and Wheat Participation Certificates, which were important in the income flow last spring. Yet a large percentage of that money found its way into savings or the reduction of debt, so that while personal income may be lower in 1950, retail sales should continue buoyant.

The two great question-marks in 1950—a year of business adjustment in Canada — will be the ability of Britain to solve the acute phase of her dollar crisis and of the United States to stabilize her production of goods and services at a high point. Both these questions must be answered in the affirmative if Canada is to continue to prosper.

W. C. Butler

Manager for Canada, Pearl Assurance Co.

The future for the insurance business and for all lines of business in Canada in 1950 is dependent on at least a partial solution of the dollar problem, and Canada being an exporting nation will feel a real impact on our prosperity if we are not in a position to sell in the sterling areas.

The insurance business in 1950, I believe, will to some extent level off from the rapid increase in premium volume, which there has been in the last few years.

The automobile insurance business still remains one of our major problems. The accident ratio across Canada is still showing a sharp increase; the cost of automobile repairs has shown no sign of leveling off; the automobile manufacturer with his new body designs is showing no consideration to the purchaser of a new automobile when it comes to repairing the slightest damage.

The governments across Canada must take drastic steps through their licensing departments to tighten up on the issuing of permits to drive, especially as regards the young driver. At present licenses are issued to those as young as 15 years of age. This should be changed to a minimum of 18 years, and the employment of transport drivers under the age of 21 years should be forbidden.

There were in the U.S.A. last year 80% more accidents in the age group under 25 years, than those over 25 years, and the governments must recognize that if they are to stop the appalling loss of life and property damage on the highways, something must be done to curb this class of driver and in particular his operations of old cars which are picked up cheap in second-hand car lots and which are in poor mechanical repair. It is of interest to every owner of a motor car that something should be done, as it is he who is paying through his premiums for the recklessness of the youth of this country.

• • •

D. A. Campbell

President, St. Lawrence Flour Mills Co.

The flour milling industry in Canada suffers from over-capacity. During the war years, with abnormal demand, the full capacity was kept busy, but under Excess Profits Tax, as levied, the industry was obliged to pay to the Government all earnings in excess of four-years' average prior to the war, during which four years an unhealthy condition existed.

The 100% tax agreement remained in effect for flour mills for considerable period after it was released on other industries. The result of all this is that the industry finds itself unbulwarked against returning extreme competition. Many of the smaller mills have been obliged to close up entirely. The larger mills who serve from coast to coast, and who have an established reputation, should be able to make a modest return.

The outlook for export is not encouraging, and export markets which have in the past absorbed a large proportion of the surplus production will have a decided bearing on the price of flour in the domestic market, which must, perforce, under lower volume, be advanced very materially over the course of the next year.

• • •

Vernon G. Cardy

President, Cardy Hotels.

Canada's fundamental business stability is nowhere more clearly demonstrated than in the hotel industry.

Although there have been some decreases in revenue, our figures on city and resort hotel operation in both Ontario and Quebec show a very healthy gross. The dangerous upward spiral of costs seems to be halted permitting us to maintain sound price levels.

There has been very little unwise investment in new hotel properties in Canada as high construction costs have made it clear that in virtually all cases such building is economically unsound. However the renovation and property improvement through the industry has been extensive.

The hotels, which have with the transportation industry, pioneered by both advertising, publicity and personal promotion to bring tourists to Canada, have had a most successful year as the tourist revenue figures indicate.

The Canadian businessman is now beginning to realize that hotels benefit from only a small portion of this much-needed foreign exchange, and the hotel industry looks to increased governmental association and individual efforts to bring tourists into Canada.

The hotel industry will continue to operate on a sound financial basis in Canada as long as the present high occupancy rate is maintained. It would appear there is no immediate change in this volume of patronage. Should it come, then the hotel industry will have to make quick and drastic operation cost reduction. However, as recent business fluctuations experienced in the United States were not reflected in Canada, it is felt that present business will be maintained and only a very major alteration will cause any change. I think good Canadian business judgment, recognition of our role in the world and leadership in many fields will assure the continued success of our hotel industry which is, after all, only a reflection of business in Canada as a whole.

• • •

W. H. Carter

President, Winnipeg Electric Co.

The year 1950 should see a continuation of present business trends. If a satisfactory solution can be found for the dollar crisis, which is having such a serious effect on international trade, there ought to be no major change in price levels. As far as the affairs of Winnipeg Electric are concerned, prospects for 1950 look favorable to us as we can reasonably expect an increase in revenue from all three of our utilities.

• • •

R. E. Chadwick

President, Foundation Company of Canada Ltd.

In recent years construction in Canada in dollar value has been at an all-time high but dollar value is far from a measure of volume inasmuch as costs have almost doubled in the last decade.

A drop of perhaps 8% in construction activity is indicated for 1950. The curtailment of Canada's export trade must reduce the volume of industrial building and the approaching completion of the vast program of hydro-electric development now under way will have a like effect. Offsetting these one can visualize a demand for public works, e.g., the Trans-Canada highway.

There is no reason to expect any great change in construction costs. Labor rates are dictated by union agreements and by law and on the whole annual earnings of construction workers are not high compared with industry generally. Resulting from even a small measure of unemployment there will be a marked increase in efficiency. This is likely to be offset by increased freight rates and higher prices for basic commodities in which transportation and coal constitute an important item of cost, e.g. steel.

On the whole the construction industry in Canada may reasonably expect more than normal activity in the coming year. In 1948 and 1949 there was more work than the industry, including those supplying it with components, could efficiently handle.

• • •

C. W. Churchill

President, Chrysler Corp. of Canada.

Optimism about business conditions in 1950 is evident among Canadian industrial leaders. This is based upon five sound economic developments—the financial strength and "free" money in the hands of the public, companies and financial organizations — the lack of excessive speculation — the gradual readjustment of business to peacetime operations — an even relationship between income and consumption — and finally, the rapid development of new natural resources in Eastern, Northern and Western Canada.

The stability and strength which Canadian business developed in recent months should continue into 1950—for there are no evident major disturbing factors at this time. Demand for products continues high and employment figures are setting new records.

The Canadian automobile industry, in particular, is extremely optimistic about the outlook for the New Year. The demand for new passenger cars continues at a high level. There are thousands of Canadian motorists anxious to change their prewar models for today's automobiles. In addition, many who had to obtain postwar cars for business purposes are now ready to replace their cars with new vehicles. The automotive market holds great promise for car dealers from coast to coast.

The first 50 years of this century have seen the gradual, sound development of this country to a place of international importance in the world's markets and the world's deliberative bodies. In fact, the history of Canada demonstrates how her people have always been a major supplier of the world's needs. In early days we provided furs, fish, lumber. Later, Canadian wheat made of this country a world granary. Early in this century the Dominion's natural resources — gold, copper, silver — contributed to her stature as a world merchant. During all this time, industrial growth was slowly taking place — and today our manufactures are as modern as any in plants and processes. Canadians know how to make more things than ever before—and they are making them. Today our industrial life matches our agricultural capacity.

The characteristics of the Canadian people — their energy, inventiveness, industry, and courage, have built this nation on a sound economic basis. They have built gradually, but because of that, they have built well. If the first 50 years of this century have brought Canada to international manhood, the next 50 years will clothe that man with the world's goods and praise.

• • •

C. G. Cockshutt

President, Cockshutt Plow Co.

The agricultural implement industry expects to be reasonably employed, but anticipates that business will probably be rather less than in 1949, in view of the various restrictions on export markets and increasing costs, as a result of recent and prospective advances in wages applying to most commodities that go into the production of implements, as well as the implement industry itself.

In view of the falling off of farm prices, this is a most unsatisfactory situation and some optimism is necessary to even estimate that 1950 sales will be closely in line with 1949.

It would certainly be stimulating to business generally if currency restrictions could be abolished in the not-too-distant future and the price increases of the last few years halted.

• • •

V. A. Cooney

Executive Secretary, Domestic Coal Operators' Association of Western Canada.

Continuance of present devaluation will improve domestic coal's ability to compete with imported coal in the Central Canada market with the long-term value of enabling Western coal to become better known in the heavier coal-consuming areas.

Coal may be faced with increasingly difficult times in the Western market as oil and natural gas continue to strive for markets.

One of the major problems confronting the domestic coal industry will be the finding of a solution to the threat of recurring summer slack periods in operations. The industry will this year continue its endeavors to solve this problem and to increase interest in this threat which could have serious employment implications in Western Canada.

• • •

Harold Crabtree

President, Canada Paper Co.

For the early months of 1950, I consider prospects to be favorable for a continuation of a high level of activity. It is difficult, however, to say what the latter months may have in store for us as so much depends on what may develop in our exports.

Providing agreements with the U. K. for our wheat, bacon and other food products, can be renewed and that some reasonably satisfactory solution can be found to the problem of our exports generally, I can see no reason why 1950 should not prove to be a satisfactory year.

• • •

H. J. Curtis

Vice-president and General Manager, Provincial Transport

Our traffic volume continues to increase in all types of service, and to date is still running ahead of a year ago. We look for continued growth in 1950, provided business generally continues at present levels.

Devaluation of the Canadian dollar had immediate and serious impact on our costs of operation, making it necessary for us to seek and obtain permission to slightly increase fares.

On the other hand, devaluation may increase American tourist travel to and through Canada, and benefit our operations, particularly as we serve a great deal of territory favored by American visitors. With this in view we intend to continue our activities and expenditures in the promotion of tourist traffic in Quebec and Ontario.

Our major problem has been, and appears likely to be, the difficulty of meeting continuously rising operating costs whilst maintaining low fares. However, by proceeding with our program of modernizing facili-

(Continued on page 8)

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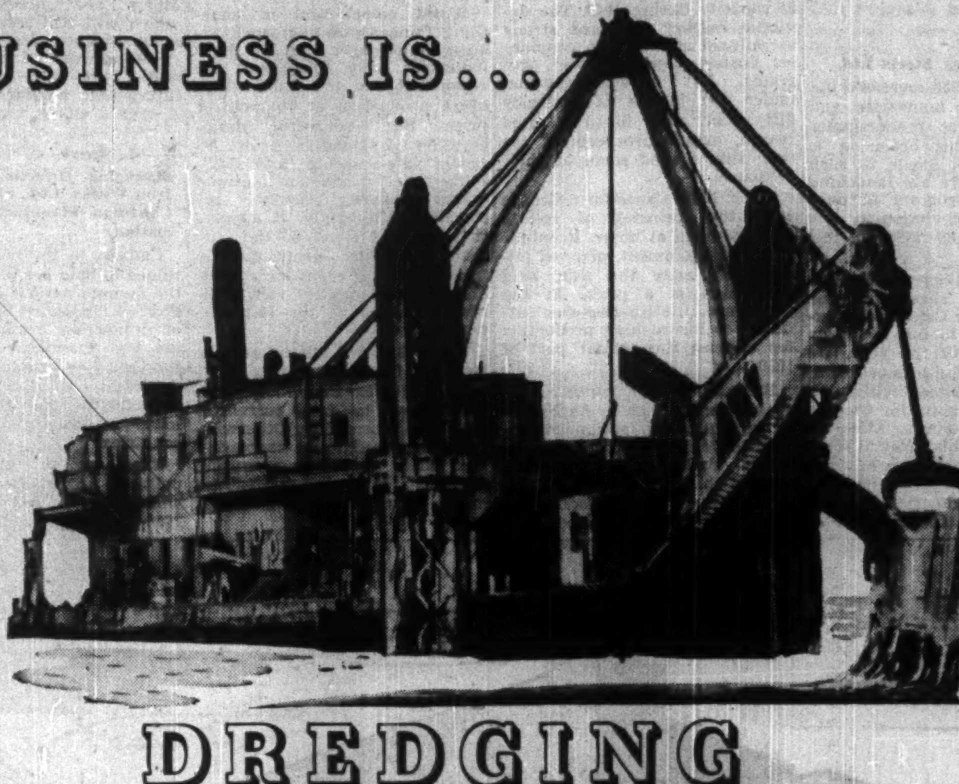

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Businessmen Discuss Prospects in Canada for 1950

(Continued from page 7)

ties, and offering the public better and more frequent services we hope to continue expanding traffic volume.

* * *

John H. Davey

Chairman, Canadian Paint, Varnish and Lacquer Association

For the most part the paint manufacturer's outlook for 1950 is uncertain as recent economic crises have given some cause for concern to Canadian industry generally and the paint industry is no exception. Should the ominous forecast for cancellation of British food and lumber contracts become reality it would work a serious hardship on the Canadian economy. Agriculture and lumbering being two of Canada's basic industries, our economy is very naturally bound up with them, and any fluctuations in those industries is immediately reflected in the over-all picture.

We have been particularly aware of this factor in the paint industry and therefore our approach to 1950 is a cautious one. This is not to say that we are pessimistic, for business in the last months has compared favorably with last year. Pricewise there will probably be very little change because raw material costs are all higher than they were at the beginning of 1949 owing to increases in freight rates and the necessity of paying an additional 10% premium on U. S. currency as a result of Canada's recent dollar devaluation. Since the industry imports a major part of its raw material requirements from the United States the 10% premium has had a marked effect on manufacturing costs.

* * *

R. H. Davis

President, Atlas Steels Ltd.

As we enter 1950 increased optimism for the immediate and long-range future predominates conversation. This optimism is shared by Atlas Steels to such an extent that we are launching an expansion program at once which may revolutionize the specialty steel business of this country.

We are installing at Welland now, the first sheet mill for stainless steel in Canada and expect to have it in full operation by the middle of the year. We anticipate that the production of stainless steel sheet will have far-reaching benefits for Canada beyond what accrue to Atlas. As fabricators use this sheet in some of the literally hundreds of ways available we foresee the creation of whole new industries, increase in employment, the creation of new markets and new distribution and retailing outlets.

The rising price of steel in the United States is Canada's opportunity to cultivate its own domestic market more thoroughly and it is our belief that the production of stainless steel sheet will accelerate this development.

* * *

R. J. Dinning

President, Burns & Co.

Pending a definite and detailed announcement covering the extent of our agricultural export markets for 1950, it is difficult to forecast the adjustments that may be necessary in Western Canada economy.

For many years to come agriculture will be the basic industry and stability is essential if our economy is to be protected. Fortunately, our producers, generally speaking, have liquidated their major debts and built up important reserves to carry them through a period of readjustment.

Oil and gas development will continue at an expanding rate and with transportation facilities completed in 1950, production of oil will be greatly accelerated with corresponding increases in revenues.

Regardless of uncertainties in the coming year, the basic economic structure of the country is sound and, in the final analysis, the Canadian people can look forward with reasonable optimism to the maintenance of a high standard of living.

* * *

V. M. Drury

President, Canadian Car & Foundry Co.

Canada's railway and transit rolling stock industries operated at capacity during 1949. The domestic market remained strong as railroad and traction companies pushed their post-war programs. But exports flinched under the impact of currency difficulties and, for the same reason, export prospects of the near future shed some of their brilliance.

As in 1948, Canadian railroads were the mainstay of rolling stock demand at home. Rehabilitation of equipment, planned immediately after the war, held production at a peak. At the year's end, the backlog was sufficient to insure high production for at least the greater part of 1950.

Bus construction continued at an encouraging level. Expansion of highways by provincial administration stimulated interurban traffic. More operators entered the field, and there was brisk business both in additional equipment and in replacements. In cities, large and not so large, traffic problems resulted in the ever-greater need for sidewalk loading and unloading of passengers. Buses replaced tramways in more Canadian cities. But the feature of the year's production was the popularity of the trackless trolley coach as an efficient medium for moving large masses of passengers.

The rolling stock industries were able to offer their customers gratifying service. Steel supplies were more generous; output was uninterrupted and reasonably good; and greater production skill born of wartime pressure proved its value at all levels in most plants.

The export market lost momentum.

The rolling stock industries suffered disappointments common to many Canadian manufacturers who had hoped for greater acceleration in freeing world currencies to liberate world trade. The business was there, but customer and supplier were held impotent by the invisible barrier that divides hard and soft currency areas.

A year ago similar trade frustrations existed; but world material shortages had prevented Canadians from losing business to other nations. In the past year, that situation has changed. Britain's skilled engineering industries have geared themselves for a world drive for business. Western Europe's nations, resuscitated to an amazing degree by the Marshall Plan, are eyeing export markets. And a factor of importance may well be Western Germany whose re-entry into the steel-producing field now seems imminent.

World competition is something Canada's rolling stock industries no longer fear. For those industries have the plant, the equipment and the skills which beget production at competitive prices. But resourceful administration of Canadian firms; efficient salesmanship; and flexibility in production cannot pierce unnatural currency restrictions. Unhappily, it appears that at least some of the currency problems spring directly from perfervid economic nationalism, whose apostles view multilateral trade as the last desperate resort.

As 1949 faded, therefore, the hope of Canada's rolling stock industries was that those with the power to free currencies would do so speedily. Otherwise, there appeared to be increasing risk that, in many promising overseas markets, Canadians might be watching the business go by.

J. S. Duncan

President, Massey-Harris Co.

The outlook for the farm machinery business continues good. Nineteen forty-nine has been an exceptionally high volume year in the industry and an all-time record so far as our own company is concerned, and while we are being conservative in our estimates of the requirements of 1950 and do not expect to reach the unusually high peak of this year, we are preparing for a volume that will still rank among our banner years.

There is, of course, a very definite change in the buying attitude, the greatly stimulated demand following a long period of shortage of supply resolving itself into a more natural demand in which the activities of salesmanship will play a more important part. Farmers have still the potential purchasing power but are becoming more careful in their buying.

The disturbing element in the farmer's future is the uncertainty of the market for some of his products, especially in regards to some of the products which he has been shipping to the United Kingdom. Farm production, however, remains at a high level and so far as 1950 is concerned the Canadian farmer is in a very sound position both as to finances and his production costs as a result of the high efficiency of his mechanized methods.

The conditions in the export market demand greater caution. It is not that many countries are not eager to get the much-needed equipment but because of the difficulties experienced by so many of them to get the necessary dollars. While some countries are caused to reduce their purchases, others are increasing theirs, which will still result in a good volume in overseas sales.

Taking everything into consideration, we view the immediate future with confidence.

* * *

M. A. East

Managing Director, John East Iron Works, Ltd., and President, Canadian Manufacturers' Association.

Canada, in the year 1949, continued to hold her place as one of the favored nations in the world. This was indicated by the records of production, employment, and the high standards of living of the Canadian people. These standards are actual and also very favorable in comparison with the lower standards of most other countries.

There are too many factors, political, financial and economic, which may affect conditions in 1950, to warrant prophecies in regard to volume of production, price trends, and the probable state of trade during next year.

Among the major problems which will require attention and action in 1950 are the maintenance of the largest possible amount of employment, production and trade, economies in public expenditure, reduction of basic taxes, elimination of double taxation, and vigorous and constructive co-operation among all groups of Canadians in national and international affairs.

* * *

Roy K. Ferguson

President, St. Regis Paper Co. (Canada)

Business in many directions underwent important readjustments during the current year and earnings of St. Regis Paper Co. will reflect the adverse effect of these conditions.

A general tendency among purchasers of commodities to reduce or more closely control their inventories required an important cut back in operations during the first half of the year and resulted in the development of more competitive conditions. While some tapering off took place in the heavy postwar demand, nevertheless consumption at consumer levels remained high through this period.

An improvement in demand for all paper products by jobbers, merchants and others developed in August and was followed by firming of prices in certain segments. As a result of these conditions operations in the industry have since shown an improved profit trend. However, for the full year net profit of St. Regis will be substantially under that of 1948, reflecting the effect of price reductions, charges for inventory revaluations, idle plant expenses and currency devaluations.

With inventories at the year-end back to normal levels, it is evident that total consumption of paper including newsprint, and paperboard in the United States during 1949 closely approximated that of 1948. Signs at hand suggest that business generally has completed its major readjustment from a commodity-starved postwar condition to the more normal position of a reasonable balance between supply and demand.

The 1950 outlook for the paper industry as well as St. Regis gives promise of more stable operating conditions and a favorable earnings record.

* * *

Lewis J-B. Forbes

Vice-President and General Manager, Pilkington Brothers (Canada) Ltd.

There has been plenty of subject matter for the "dismal Jimmies" to predict misfortunes and troubles for Canada for the year to come but there is every likelihood that the prophets of ill fortune will be proved wrong for there is a tremendous resiliency in Canadian economy, established as it is on a fundamental basis of essential raw materials. The problem which has been ever present and which has obtruded itself more and more on public notice is how to sell goods to Britain and to a lesser degree to the continent when our customer does not possess the means of paying for them.

Whatever the views of Governments may be there is not the slightest doubt that the ordinary Britisher turns to Canada as one of his best and most faithful friends and there is a universal desire there to continue trading with this Dominion. However, it is clear that one way trading cannot continue indefinitely and if Canada is not prepared to make still more loans or cannot share to a greater degree in Marshall Aid then the one thing left is to buy more British goods. The establishment of dollar boards, the presence of officials of the Federation of British Industries, all the goodwill speeches in the world cannot achieve this result unless "Jack Canuck" wants to "buy British." The education of the ordinary man to appreciate the need is one of the foremost tasks for 1950.

* * *

Jacques Forget

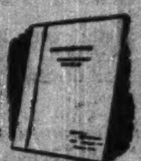
Chairman, Montreal Stock Exchange.

In the last six months of 1949 stock prices have moved steadily upward and have reached the highest level for the past three years. There have been minor recessions, but when these occurred volume dropped, usually considered a good omen in a rising market.

As a consequence of this upward trend the stock markets enter the coming year in a rea-

(Continued on page 9)

5 Timely points regarding Employee Pension Plans



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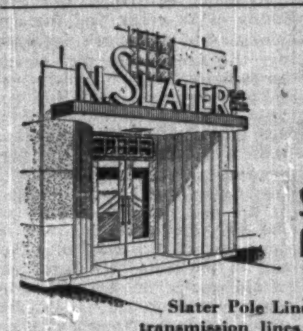

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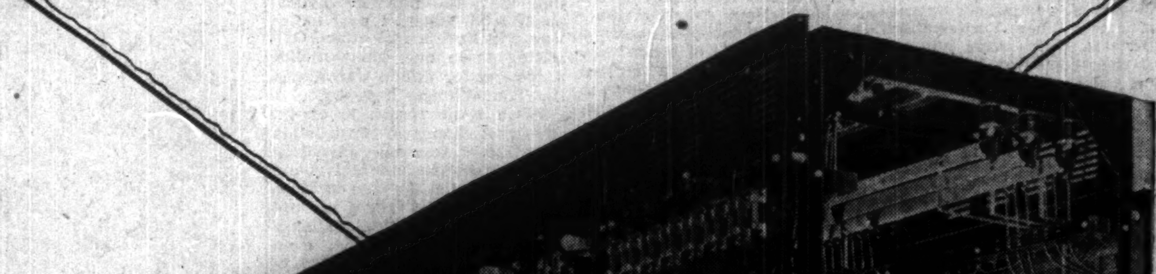

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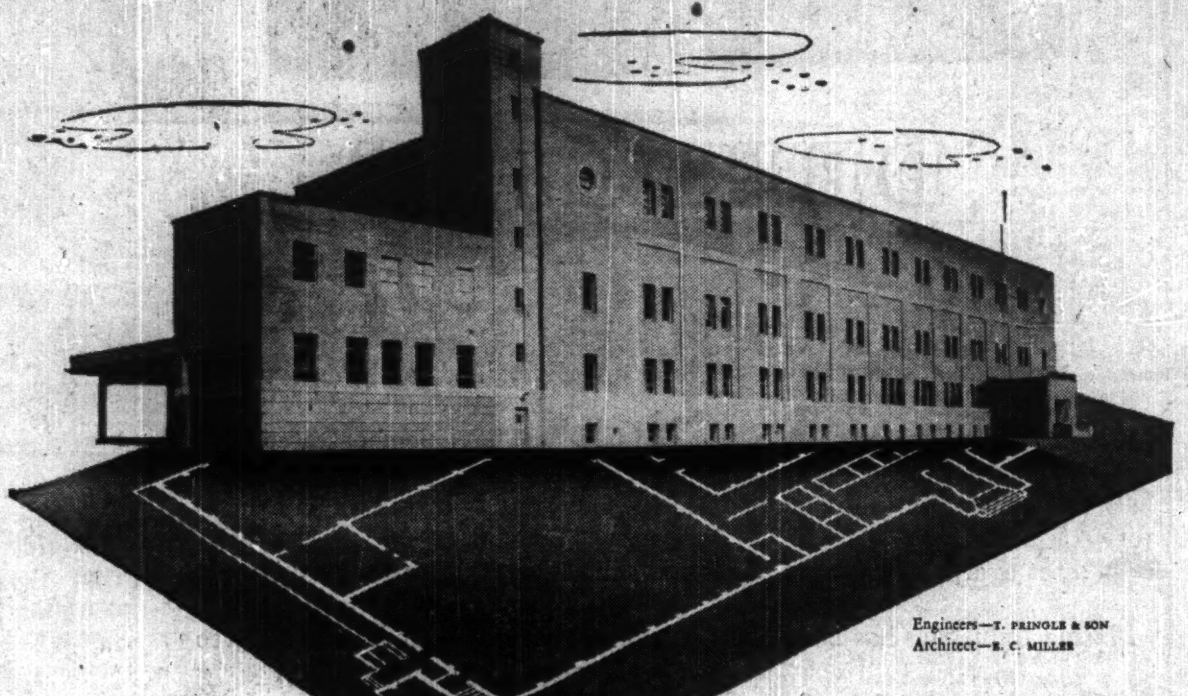

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Businessmen Discuss Prospects for 1950

(Continued from page 8)

sonably optimistic mood. Due to increased and extra dividends common stocks still show a liberal income yield.

The long-term trend in Canada points to a progressively expanding economy. It is, however, difficult to express a clear cut opinion on the short term outlook for 1950.

The investor in stocks would be well advised to keep reviewing his portfolio of shares and watch closely, among other factors, our dollar position and our overseas export trade which has been showing a serious declining tendency.

• • •

C. Sydney Frost

General Manager, Bank of Nova Scotia.

The outlook for the coming year is a mixed one. Our most difficult problem in 1950 will be that of restricted overseas markets, extending to some of the major foodstuffs as well as the manufactured goods and other basic commodities already affected. The impact of these conditions is likely to be greater in 1950 than in 1949, not only because overseas buying power has decreased further but because substantial progress has been made this year in reducing the backlogs of demand in the domestic market. The postwar boom has been gradually losing momentum. For these and other reasons competition in the coming year is likely to be increasingly keen and the broad trend of prices will probably be downward.

On the other hand, there are some important influences which are helping to support business activity. One of them is the improvement in the economic climate of the United States following the short-lived recession. Other major sustaining factors are the great activity in resources development, especially in regard to oil, and the prospect of continued large expenditures on housing, roads, schools and other public-service activities.

• • •

Drummond Giles

President and General Manager, Courtaulds (Canada) Ltd.

The year 1950 presents many tough but not insurmountable problems for the Canadian rayon industry.

On the favorable side, consumer purchasing power remains high; new processing techniques are coming into use, increasing the consumer serviceability of conventional rayon fabrics. The vagaries of the raw wool market are hastening the use of rayon in new products — a notable example being suiting fabrics. Rayon is breaking into the industrial textiles picture and also extending its already firm hold in truck tires to encompass the whole tire field.

On the debit side is the competition from the countries which devalued their currencies. Competition is already stiff, both on a price and a quality basis; although domestic quality will be remaining competitive as complete familiarity with recently installed new equipment is achieved. North American production costs show no signs of declining (viz. recent price increases by U. S. viscose producers) and there is a distinct possibility that the spring recession forecast in the U. S. may have some effect here.

To sum up, 1950 will be a challenging year to all of us. Production men will have to pare costs and increase quality; sales and development staffs will have to open up new fields while consolidating the old.

• • •

L. G. Gillett

General Manager, The Bank of Toronto.

I agree with the informed opinion that Canadian business will hold its current good level for the first six months of 1950, with possibly, but not necessarily, a moderate decline in the second half.

The full effect of currency devaluation has not yet been felt. This factor, coupled with an unpredictable international political situation may have a significant effect on our export trade.

The small, brief downward trend in U. S. business in 1948 met with no parallel here. Perhaps it was too slight and too brief to alter our course.

Year-end statements of banks and industry would indicate that we may expect a healthy business condition throughout the next 12 months of commercial and industrial operations.

I would like to close with a note of optimism and remind you that 1949 was a much better year than was predicted a year ago.

• • •

M. R. Gooderham

President, Manufacturers Life Insurance Co.

We in the Manufacturers Life view the prospects for 1950 with reasonable optimism. Although the cost of living continues at a high level, a similar situation exists with respect to national income — and there still seems to be in most families a margin available for savings. It therefore seems reasonable to expect that for some time to come the means to finance substantial life insurance buying will continue to exist.

Although sales of life insurance, like sales in any business, respond to world economic trends, the long-run prospect for Canadian life insurance companies appears secure. The current public acceptance of life insurance is the result of improvements in the quality of service, a wider application of life insurance to personal, family and business requirements, and, in industry, to the provision of pensions and other group benefits. Man has a deep-rooted instinct for security for himself and his family. As long as a free enterprise system permits him to make his own provision for the contingencies of the future, there will be a definite need for life insurance and an ever-widening market.

• • •

Crawford Gordon, Jr.

President, English Electric Co. of Canada.

With the elimination of postwar material shortages which hindered the return of Canadian business to normal, the production curve in many industries has shown a decided tendency to level off within the past few months.

In the heavy electrical field, however, companies such as English Electric are still striving to meet the continued demand for equipment required in the development of new central station capacity across the country. Volume of business in this direction will likely be good for the immediate future.

All Canadian business is still faced with the problem of rising production costs—a factor which may continue to affect prices, particularly in some consumer lines.

We can look forward to stiffening competition and a search for new markets. Devaluation of the British pound will create new competition on both domestic and export fronts, but it is to be hoped that currency conditions in general will point the way to a revival of Canada's export trade.

• • •

G. B. Gordon

President, Dominion Textile Co.

The cotton yarn and cloth manufacturing section of the primary textile industry enters 1950 with a good order book position. The mills will be kept very busy for at least the first three months in turning out goods to meet the spring and early summer requirements of the apparel trades.

On industrial lines, the order position extends, in some cases, well into 1950.

Prices should be steady with an upward tendency until the autumn 1950 American cotton crop becomes a dominating factor in establishing raw material values, when that tendency may be checked.

• • •

A. E. Grauer

President, British Columbia Power Corp.

The business outlook for the first half of 1950 in British Columbia is good. The basic industries, with the possible exception of pulp, are currently doing well. House-building should continue at a high rate, especially in view of the interest being shown by the provincial government. Any slack that might ordinarily develop in capital construction through a tapering off in the manufacturing and utilities industries should be more than made up by increased provincial and municipal activity on necessary projects such as schools, hospitals, and bridges.

Volume in the utilities industry might easily increase 10% in 1950 over 1949 and prices will be stable in gas, electricity and transit. The major potential problem in 1950 is that of exports, which, if it is going to be troublesome, should especially affect the latter half of the year.

• • •

Philip N. Gross

President, Anglin-Norcross Corp.

During 1950 price trends in the construction industry should follow the pattern of 1949, with slightly falling material prices and savings in intangibles such as prompt deliveries, being offset by slightly higher labor costs created by various benefits to labor. Volume may vary considerably in the geographical subdivisions of Canada. Low volume areas may benefit by lower prices. Obsolete controlled rate structures of certain public service enterprises may seriously curtail their normal volume of construction and maintenance.

Governments at all levels appear to be increasing capital expenditures for urgently needed facilities. The imperative needs of private expansion having been met, the volume of this type of work depends on individual opinions as to the time to build. Companies with obsolete facilities appear to be examining the advantages of modernization.

• • •

Douglas B. Hall

President, Independent Automobile and Casualty Insurance Conference.

When complete figures for 1949 are available automobile business will almost certainly show a further increase in premium volume. When one realizes that business transacted is more than three times what it was 10 years ago it is clear that the class ranks as a most important one in the insurance industry.

Loss experience cannot even be estimated at the moment, but on studying the most recent statistical exhibit published by the Ontario Department of Highways I note that while motor vehicle registrations and drivers licensed have increased 10.8% and 6% respectively, accidents reported have jumped no less than 26.6%. This presents an ominous picture and makes it all too obvious that safety education still has a long way to go.

Rate changes already announced for 1950 are not extensive and while the over-all trend is slightly upward this is largely caused by increases necessitated by continued poor experience in collision insurance.

• • •

H. H. Hannam

President and Managing Director, Canadian Federation of Agriculture.

While for some lines of agricultural production the 1950 outlook is satisfactory, the over-all picture is not promising. Devaluation by the sterling area and the consequent pressure on Canadian export prices for some farm products and the reduction and loss of some exports markets will result in a lower gross farm income in 1950.

Assuming average crop production, we expect that farm costs will remain high. Possibly farm wage rates may ease a little. But on the whole, gross farm income will likely decline more than farm costs; consequently net farm income will show a greater proportionate decline than total cash income.

The major problem and question mark facing agriculture and the nation in 1950 will be the extent to which the Government of Canada considers it to be in the national interest to see that agricultural income is maintained at a fair level.

• • •

John D. Hayes

President, Laura Secord Candy Shops Ltd.

The business outlook for 1950 should be approached with a feeling of optimism. While Canada's position in the export market is uncertain at the moment, particularly as it applies to agricultural products, I feel that this situation may be clarified early in the new year.

There are several factors that should make us feel optimistic regarding the future of business in our country. For example, the development of the western oil industry, which eventually should make Canada independent of other sources of supplies, opens up an entirely new era of industrial expansion. In addition, our financial leaders are predicting continuation of our high standard of living and high national income.

The candy industry should also reflect the general economic trend, and equal or improve upon the good results shown in 1949.

• • •

Sir William P. Hildred

Director General, International Air Transport Association.

International air transport has had substantial traffic increases each year since the end of the war. In 1950, however, the airlines expect that the increase will be more spectacular than ever.

There are three reasons: the observance of the Holy Year in Rome; the concerted drive of American and Western European governments to promote dollar-bearing tourist traffic to Europe; and the airlines' own attempt to generate greater traffic through more attractive passenger fares and cargo rates, particularly in the off-seasons.

As the only form of transport that can make the long-distance travel feasible for the man and woman with limited time, the airlines expect to draw a large share of the growing traffic to Europe from North America during 1950. Through a more flexible rate structure and off-season promotional fares, they hope to come closer to being the kind of transport that the average man and woman can most easily afford.

Special off-season rates, designed to level off the valleys in the seasonal traffic curve, will be in effect in many parts of the world, but Canadians will be most interested in new 15-day round trip excursions to Europe during the first ten weeks of 1950 which will cost as little as $407 for Montreal-London return.

• • •

Arnold G. Hitchon

President, Brantford Roofing Co.

The approach to 1950 should be with full recognition that international economic problems were not solved in 1949 and Canada's foreign trade will be at a lower level. The price of agricultural products will be lower. Manufactured goods will be in greater supply and competition intensified. Labor demands for social security will impose higher costs. The profit margin will be thinner.

These conditions do not call for any pessimism in the business outlook but will demand that our affairs both in government and business be administered with greater regard for changing conditions. Canada is still in a favored position and the increase in our population coupled with a vigorous development of our natural resources provides a good foundation for confidence and relatively good business.

The asphalt roofing industry should enjoy in 1950 a physical volume comparable to the record production of last year. So far the manufacturer has absorbed the increased cost of basic materials, notably asphalt, which followed the devaluation of the Canadian dollar. Unless there is some recession in the U. S. price level and labor costs maintained, a moderate price increase is indicated.

• • •

S. C. Holland

President and Managing Director, Robert Mitchell Co.

Certain changes of a major nature which are taking place in the locale of our company's plant, make it somewhat difficult at this time to attempt to forecast what will face our company in the coming year.

Having disposed of our Belair Avenue, St. Henry property, to the Department of National Defense, we are now building an additional 70,000 square feet of new plant at St. Laurent, and on its completion all of the activities of The Robert Mitchell Co. and its wholly owned subsidiary, The Garth Co., will be centred in one location.

This move will be completed during the summer of 1950 and it will be realized that a number of problems confront us before all equipment is finally installed and running smoothly in the new consolidated location.

There would appear to be no shortage in the metal supplies on which this company is dependent for its business and in the main, prices are steady.

After the U. S. steel strike, which upset our delivery program for some time, things are seemingly getting back to normal and there would not appear to be any undue delays in the delivery of sheet steel used in large measure by this company.

Pig iron which was extremely difficult to obtain, is now in ready supply and prices are steady. Tin has dropped considerably in price and copper has strengthened somewhat, while aluminum remains steady and in normal supply.

It would appear therefore that all of the metals required in our business will be relatively easy to obtain at fairly steady prices and as skilled and semiskilled labor is readily available, there would appear no problem from these angles.

There has been a considerable slackening off in business in the past few months with resultant laying off of personnel, which normally indicates that no large increase in labor rates may be expected in the immediate future.

Our company still has a reasonable backlog of fittings and trimmings for the Canadian railroads and general industrial work is now showing some promise of picking up again after a lag in the past few months.

The prospects for new passenger equipment for the Canadian railroads appears to be bright and if appropriations are forthcoming, presumably after a settlement of the new freight rates, this company will benefit considerably from this type of business.

• • •

Wilbert H. Howard

President, Montreal Trust Co.

As 1950 opens we are hopeful of a more than normal increase in the work we do for individuals as the need of competent trust company service is steadily becoming more apparent. It seems not improbable, however, that there will be some lessening in demand for our services in the corporate field as neither new financing in large volume nor important reorganizations seem to be in prospect in the near future.

In the handling of the property of estates and trusts, we shall pursue a cautious policy on the assumption that aggregate disposable or expendable incomes of individuals and corporations cannot indefinitely remain at present high levels and that their decline may be reflected in security and real estate prices generally. The longer term outlook for Canadian exports being uncertain, we are not convinced that the effects on profits of material reductions in consumer spending and private capital expenditures and of further increases in operating expenses can be fully counteracted by government action.

• • •

George W. Huggett

Chairman and President, Canadian Industries Ltd.

Although not clearly discernible in industrial production totals, there were during 1949 some unfavorable changes in underlying conditions. Export opportunities declined progressively as the year advanced and Canada had to face the possibility that the minor recession in the United States would spread to this country.

By withstanding so far the impact of such foreign developments, the Canadian economy shows itself still to be in a strong position. The greatest sustaining factor has probably been the large capital investment program. This influence should continue to be felt in 1950. Consumer buying, supported by high personal incomes and large savings, also

(Continued on page 10)

On that certain occasion, present that special friend or client with a box of "La Simbombo." Also keep always a few cigars in your desk for your guests and visitors.

Enquiries invited.

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BRITISH COLUMBIA FOREST PRODUCTS LIMITED

NOTICE IS HEREBY GIVEN that the Fourth Annual General Meeting of the shareholders of the above named Company will be held at Salon "A" Hotel Vancouver, 900 West Georgia Street, Vancouver, British Columbia, on Tuesday, the 17th day of January, 1950, at the hour of 12:00 o'clock noon, for the purpose of electing a Board of Directors for the ensuing year, considering the accounts and balance sheet, receiving the reports of the Directors and Auditors, and of conferring a general authority to take or acquire by purchase or otherwise any shares in any other corporation, which authority shall expire at the next general meeting of the Company unless it is continued by ordinary resolution passed thereat, and such other business as may be properly brought before the meeting.

DATED at Vancouver, British Columbia, this 17th day of December, 1949.

TREVOR L. DANIELS,
Secretary.

NOTE:
The regulations with reference to voting in respect of share warrants, as well as forms of proxy and forms of certificate by a bank or trust company as to deposit of share warrants, may be obtained from the following:

The Canada Trust Company,
455 Howe Street,
Vancouver, B.C.
OR
244 Bay Street,
Toronto, Ont.
OR
346 Main Street,
Winnipeg, Man.

The National Trust Company Limited
20 King Street East,
Toronto 1, Ont.
OR
225 St. James Street,
Montreal, P.Q.
OR
Cor. of Portage Ave. & Garry Streets,
Winnipeg, Man.

Copies of the Annual Report may be obtained on written request to the Company at its Head Office in Vancouver at 995 West Sixth Avenue, or at any of the above-mentioned offices of the Canada Trust Company or the National Trust Company Limited.

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Because of your acceptance of our products and in order to serve you with greater efficiency, WE ARE MOVING from our present site to our modern plant at St. Laurent — in the newly developed industrial area on the north-west outskirts of Montreal.

This plant built in 1942, is now being expanded by 70,000 square feet to accommodate our Head Office and to create a closely integrated modern production unit.

Whilst manufacturing will shortly be fully operative at the new location, our Head Office will continue at 750 Belair Street, until approximately July 1st.

In the nearly one hundred years of our existence, Canada has grown, through you and with us, to the stature of one of the world's great industrial nations.

Truly the 20th century is Canada's. Thank you for keeping us 99 years young.

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Businessmen Discuss Prospects for 1950

(Continued from page 9)

made a major contribution to the high level of industrial production.

Canada, however, as well as other countries, has yet to cope with the adjustments arising out of the re-alignment of currencies. Greater competition in domestic markets and a decline in overseas outlets are already evident. In the long-term view, however, such developments as oil in Western Canada and iron in Labrador are expected to exert a strengthening influence.

For the moment, the most that can be said with confidence is that the present high momentum of the Canadian economy reduces the possibility of a serious business decline in the first half of 1950.

* * *

A. T. Hurter

Stadler, Hurter & Co.

It is hard for us to make a statement on the outlook for the coming year as we are principally engaged in consulting engineering services and therefore our operations more or less follow the trend of industrial development.

During the past two years we have fostered the foreign country field and have observed that Canadian know-how, machinery and industrial equipment is eagerly desired by many countries in connection with the development of their national resources. Through the devaluation we have now been confronted with difficult problems in foreign engineering work which we were fortunate enough in contacting. Due to the dollar shortage these contracts have now been terminated, although our clients would have liked to continue to use our specialized services if the maladjustments of exchange could readily have been solved.

There is a big field for Canadian investments in the international picture, which would pay heavy returns, as no doubt sooner or later a flexible solution in the rate of exchange will be found.

As far as Canada is concerned we can look forward to a year of moderate activity to keep our present staff fully occupied.

* * *

Frank L. Jeckell

General Manager, Dominion Brewers Association.

The brewing industry of Canada expects to maintain its high level of sales and production in the coming year following the domestic sales record set in 1949 of 6,870,000 barrels, with the industry itself in a strong financial position after extensive modernization programmes undertaken during the past few years by most of the 63 breweries making up the 282-year-old industry.

The problems facing the industry are those common to other major industries operating under heavy taxation and dependent upon the maintenance of full employment in Canada to enable the general public to purchase their goods.

Solution of the world problem of postwar rehabilitation, with special emphasis on solving the currency difficulties, is of major importance to the future of the brewing industry. Exports of beer, of minor importance to the industry, have been severely curtailed due to restrictions by the "soft currency" countries. Much more important to the brewers is the extension of all of Canada's export trade in order to provide full pay cheques so that the Canadian workingman can afford the small luxury of a glass of beer.

The brewing industry has maintained a high standard of public acceptance. Its products rank with the best in the world. Prospects for 1950, while dependent in large degree on the general industrial health of the country, appear satisfactory.

* * *

Frederick Johnson

President, Bell Telephone Co. of Canada.

Demand for local and long distance telephone service continued at an exceptionally high level in 1949. Long distance messages originating in the territory of the Bell Telephone Co. of Canada averaged 211,000 daily, the highest on record, or about 14% more than in 1948. Local calls reached a new peak of 10,000,000 daily.

The net addition of some 135,000 telephones, while about 14,000 fewer than the record set in 1948, brought the total in service to about 1,591,000 at the year end. In spite of this, unfilled applications for telephones grew from 85,000 at the beginning of the year to 91,000 as 1949 closed, while requests for higher grades of service rose from 94,000 to 111,000.

Our revenues for 1949 are expected to be $12 millions more than in 1948 but expenses, largely due to higher wages and material costs, are estimated to be $14 millions higher. Because of the higher amount of capital invested, interest and dividends will show an increase of about $3 millions and earnings for the year will fall short of dividend requirements by approximately $4.7 millions.

We are planning to spend over $82 millions on gross construction in 1950 and in the three-year period 1950 to 1952 approximately $254 millions provided our earnings position is restored by the authorization of adequate rates so that such a program can be financed. This will require a total of about $141 millions new outside capital, $52 millions of which must be obtained in 1950.

We believe that the development in Canada in the years ahead will necessitate continuous extension and improvement in the telephone industry.

* * *

I. K. Johnston

Vice-President and General Manager, Imperial Bank of Canada.

The year 1949 was highly satisfactory and the momentum gathered will take us well into 1950. Motorists are surprised to learn just how far a car at a given speed will travel after brakes are applied in an emergency. There is no emergency at this time but certain well-publicized difficulties may lie ahead. We should travel with care, not looking for a boom or fearing a depression.

There is an abundance of purchasing power in Canada, although greater sales effort will probably be required in most fields. There is no gain to be made from gloom. Let us enter 1950 looking forward to a reasonably good year, plan carefully, as successful business has always done, and travel hopefully.

* * *

A. H. Johnstone

Chairman Independent Fire Insurance Conference.

For one to endeavour to forecast the future trend of events, even so early a future as the coming year, for a business such as fire insurance, interwoven as it is with all phases of business and social life, the changes and vicissitudes of trade and commerce, in these uncertain and somewhat tumultuous times, is to indulge oneself in a pastime bordering on folly and the attempt manifestly becomes a conceit which might well turn into embarrassment.

However, looking forward to the year now at hand, in so far as the business of fire insurance is concerned, present appearances indicate that the premium volume will not be less than that of the current year and will probably be greater, depending upon present commodity prices holding their present level and a continuation of the current high level of construction.

Some apprehension is felt concerning the continued incidence of high fire losses in Canada, which, by the way, are the greatest per capita of any country in the world. It is evident that the present rate of premium is not sufficient to meet these losses and at the same time provide operational costs. At the same time serious students of insurance have inevitably come to the conclusion the current basis of fire insurance contracts is discriminatory against the companies and, to a very large degree, between sections and individuals of the insuring public. Unless serious thought is given to these subjects of high losses, rate of premium and basis of contract by the insurance business itself and public officials I cannot be overly optimistic for the coming year.

* * *

F. W. P. Jones

Vice-President in charge of sales, Hobbs Glass, Ltd.

Because of the wide markets which glass and paint enjoy, the state of our business will probably follow closely the general trend in Canada. In trying to decide what this might be, I think we should disregard the temporary ripples of a recession. These are bound to occur from time to time, but to my mind they are not as important as the fact that I believe that we in Canada are doing so many things that we have never done before. Possibly the glass industry would be a good example. While attempts have been made to manufacture glass in Canada in times gone by, a very modern plant is being opened in about three weeks, which gives every evidence of successfully supplying a good share of the Canadian demand.

Added to industrial expansion too, is the fact that we are producing many basic commodities that are in world wide demand. May I cite aluminum, rayon pulp, oil, non-ferrous metals, plastics and uranium. Even our farm industry is becoming more and more diversified. Consequently I feel confident that these and other developments will lead us up.

Being in a selling type of business, we sometimes feel that those people that talk of recession and depression might find a solution in either bringing out new products or developing a fresh approach to an established market.

* * *

W. D. Jones

Chairman, International Business Machines Co.

I feel that the year ahead may be regarded with tempered optimism. If I were looking at Canada and this continent alone, I would say that extreme optimism would be justified in view of our rapidly developing economic resources, but unfortunately one has to temper this with the knowledge that communist countries are waging a continuous economic warfare upon our free-enterprise institutions. The effect of this is to dislocate seriously the natural flow of capital and international trade, upon which so much of Canadian prosperity depends.

This baneful pressure, however, has had one useful result in bringing businessmen in all western countries more closely together in a determined effort to facilitate the international exchange of goods and to influence the policies of their respective governments to this end. Of this movement toward international co-operation on the business level, we, in the International Chamber of Commerce, have been particularly conscious, and I feel that it constitutes the best possible foundation upon which to build a prosperous western world.

* * *

Chas. Kroft

Vice - president and General Manager, McCabe Grain Co.

With the present obscure currency situation, particularly as it is reflected in our increasing difficulty to find markets for our primary products, naturally, there is much concern in Western Canada about the coming year, being dependent as we are upon the production and sale of our agricultural products as the basis of our business life.

The unsuccessful outcome of the longterm and bilateral trade agreements, which have been so popular during the last few years, has now proved the inadequacy of this policy. However, given a good crop, which is always our basic necessity, and the freedom to market and handle our crops, both at home and abroad with minimum restrictions and regulations, I feel that Western Canada can surmount any temporary difficulties and look forward to a successful year.

* * *

A. L. Lawes

President, Montreal Shipping

The outlook for Canadian flag shipping is definitely not bright. To quote the Prime Minister, "at present rates and at Canadian costs Canadian vessels cannot be operated without substantial losses." As these losses cannot be absorbed by private operators for any length of time, it follows that the number of vessels flying our flag will be drastically reduced during the coming year.

In other fields, there are indications of a less drastic but nonetheless real trend back to the average or normal in contradistinction to the record-breaking boom conditions following the war.

I am satisfied that the intrinsic soundness and richness of our economy will continue to make Canada a happy land to live in.

* * *

H. A. LePage

President, Canadian Association of Real Estate Boards.

In my opinion, the real estate outlook for 1950 is very bright, providing that we can maintain the country's export business at or near its present volume. If its exports drop to any appreciable extent, there will naturally be unemployment which may affect the buying and selling of real estate if the Government cannot produce new jobs on public works to take up the slack.

Peak prices for real estate, of every description, were reached about two years ago. This year, there has been a very definite change from sellers' to buyers' market.

The price of older houses will depend a great deal upon the cost of new building. At the present time, I cannot see much possibility of the price of labor going down, but I do think that labor will be giving more and better work for the dollar, which in turn will bring the cost of new building down in proportion.

As the new building costs are thus reduced, we expect our volume of real estate to increase, as these lower prices will bring a broader market and will permit a greater number of people to purchase homes.

There is still a terrific demand for homes and I believe that it will take about five years to catch up with this demand, and another five years to give us a normal working surplus.

The greatest demand now is for houses from $7,000 to $12,000, but many prospective purchasers find it difficult to make the necessary cash payments.

Houses from $12,000 to $40,000 are in good demand, but purchasers refuse to pay the fancy prices obtained during the war and up until two years ago. There are still buyers for properties up to $75,000 but they are very selective and want exceptional value for their money.

There is a good demand for office space, modern factories and warehouses, good building lots and for every description of summer properties.

* * *

E. M. Little

General Manager, Anglo-Canadian Pulp and Paper Mills Ltd.

The outlook for the Canadian newsprint industry for 1950 is for continuation of a high level of operations. Individual companies will be affected to a greater or less degree through loss of overseas markets; first, through a dollar shortage and, more recently, as a result of devaluation.

The business outlook for the United States, our principal market, is good—at least, for the first half of 1950. Opinion differs as to whether the expected high level of business for the first half of next year will continue throughout the year.

With regard to pulps: the demand for bleached chemical pulps has been strong throughout 1949 and there is every indication that they will continue to be so through 1950. There has been a considerable drop in price for unbleached pulp during 1949 and a lessening of demand due to inventory reduction and some reduction in the rate of operation of the converting paper mills in the United States.

The outlook for 1950 for unbleached pulp is one of improved demand as compared to 1949; but with price levels promising very little profit to the pulp manufacturers. In this branch of the industry also, devaluation has affected demand for Canadian pulps, and has been a depressant on prices.

In summary, the outlook for next year in newsprint is good and the outlook in the pulp field is for a somewhat better demand but with prices not at a very profitable level.

* * *

A. V. Loftus

President, Canada Bread Co.

Our industry is still faced with increases in many of our costs and unfortunately we are not enjoying any increase in the price of our products.

It is our opinion that our industry must very soon receive a higher price for our products. We have endeavored to keep the price as low as it could possibly be kept but conditions are changing so rapidly that we find it very difficult to keep the price structure as it has been.

The volume of our business is holding up very well indeed and we see no reason why this should not continue over the coming year.

At the present time in business you are facing major problems daily and we feel that there will be problems also in the new year, but we are confident that they will be overcome.

* * *

J. K. Macdonald

President, Confederation Life Association.

Unless there is a drastic cutback in Canadian exports, setting up an adverse chain reaction in the production and employment segments of our economy, the very satisfactory economic conditions of 1949 should be extended well into 1950.

We may look for some important adjustments in the relationship between the various segments of our economy as production catches up with demand but these should make for a healthier economic climate such as resulted from the 1949 production-demand-price adjustments in the United States.

Indications are that the price level may have passed its peak. The expected rent increases may be more than offset by lower food costs, particularly if Canada experiences difficulty in disposing of exportable food surpluses at current prices.

Since the level of economic activity determines in large part the volume of new life insurance sales, 1950 should be a satisfactory year for the life insurance industry.

The ownership of life insurance by some 75% of our citizens is an important stabilizing factor in our economy. As life insurance

(Continued on page 11)

CERTIFICATE OF INSURANCE

Notice is hereby given that Certificate of Registry No. C 1189 has been issued to the Reliance Insurance Company of Philadelphia (Philadelphia, Pa.) authorizing it to transact in Canada the business of Fire Insurance and, in addition thereto, Civil Commotion Insurance, Earthquake Insurance, Falling Aircraft Insurance, Limited Hail Insurance, Limited or Inherent Explosion Insurance, Sprinkler Leakage Insurance and Windstorm Insurance, Limited to the insurance of the same property as is insured under a policy of fire insurance of the company.

J. J. Kilgour, chief agent in Canada. Toronto, Ont., Dec. 12, 1949.

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221 A-8th Ave., W., Calgary, Alta. — 407 Avenue Building, Saskatoon, Sask.

1 Royal Bank Building, Brandon, Man.

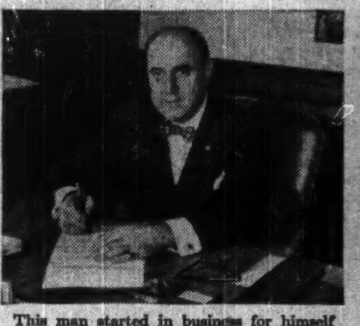
MUNICIPAL MANAGER WANTED for Victoria, B.C.

Applications for the position of Municipal Manager will be receivable by the City Clerk, City Hall, Victoria, B.C. up to 5:00 p.m. Wednesday, 22nd. February 1950. Sealed applications, marked "Application for position of Municipal Manager", should be addressed to the "City Council, Victoria, B.C." Application Form and copy of "Municipal Manager By-law, 1949," may be secured from the City Clerk.

MAKING THE BEST OF Living....

Few people realize the imposing contribution to sound living and social security provided by a modern life insurance company through the wide range of services it has made available to meet public needs. These stories, taken from the records of Canada's leading life insurance organization, the Sun Life Assurance Company of Canada, illustrate a few of the functions of this institution and reveal how everyday personal problems can be successfully met by foresight and moderate saving through a planned life insurance programme.

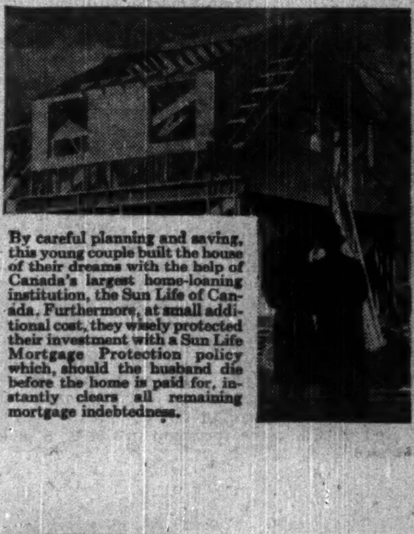
When this happy groom said, "I do", he really meant it. He looked beyond the orange blossoms and rice stage down the uncertain years. He resolved to provide for his bride as far as was humanly possible. That was why he saw his Sun Life representative a week before the ceremony and arranged a programme of insurance that fully protects the girl he has sworn to cherish.



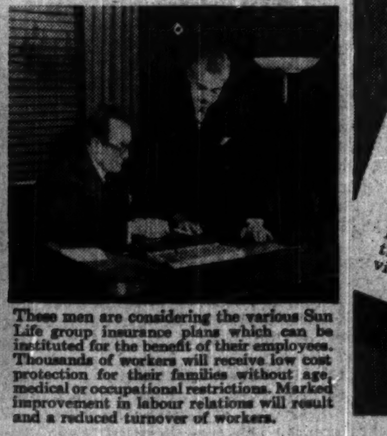
This man started in business for himself many years ago, and soon established a successful one-man business. Then came the problem that after his death his widow might be obliged to sell the business at a loss. Sun Life Business Assurance solved this. Now the enterprise will be purchased from his widow by senior employees at a figure set during his lifetime.

One of the 27,000 Sun Life annuitants receiving his regular income cheque. In many instances this lifetime income was provided by regular small payments during the annuitant's best earning years. Others, at older ages, used a lump sum from savings or capital to guard against advancing years. Independence in old age can be made certain with a Sun Life Pension policy.

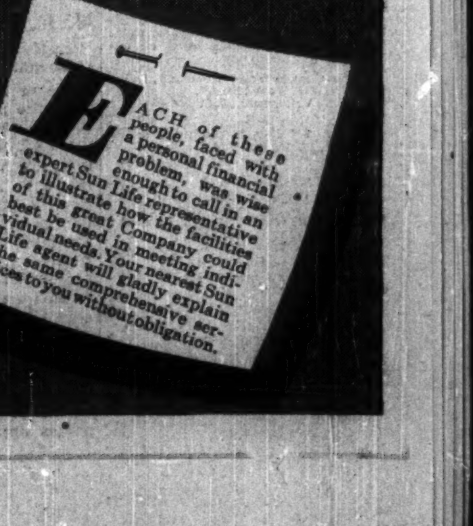
A typical group safeguarded by a Sun Life Family Income Policy which simply, economically and effectively ensures a continuing income for the widow should the husband die; provides educational funds for the children; and finally makes available the full amount assured which can be used to purchase an annuity for the mother when the children are old enough to become wage earners.



By careful planning and saving, this young couple built the house of their dreams with the help of Canada's largest home-loaning institution, the Sun Life of Canada. Furthermore, at small additional cost, they wisely protected their investment with a Sun Life Mortgage Protection policy which, should the husband die before the home is paid for, instantly clears all remaining mortgage indebtedness.



These men are considering the various Sun Life group insurance plans which can be instituted for the benefit of their employees. Thousands of workers will receive low cost protection for their families without age, medical or occupational restrictions. Marked improvement in labour relations will result and a reduced turnover of workers.



Businessmen Discuss Prospects for 1950

(Continued from page 10)
ownership becomes more widespread, financial security of Canadians in all walks of life increases, thus making for increasing stability in the economy.

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D. C. MacLachlan

Chairman, Maple Leaf Milling

It has become increasingly difficult to forecast the business outlook. Governments' spending and intervention of one kind or another have introduced a new element into economics, which at least postpones the working of what were once considered to be fundamental laws.

Traditionally the prosperity of Canada has hinged upon the export at good prices of her raw materials, especially foodstuffs from Western Canada. The outlook for the disposal of many of these products is somewhat uncertain in 1950.

In industries such as flour milling, where exports have already declined, there is a tendency for intense competition to develop for the limited domestic market. This lowers prices to uneconomical levels and adversely affects the industry unless new markets are tapped or the population increases.

The attitude of organized labor toward businesses whose peak production is declining will be very important in 1950. Labor will have to recognize that no one benefits if a company is priced out of the market by excess costs.

There are so many optimistic factors in 1950, such as continued Marshall Plan spending, the tremendous Western oil development and more capital investment, that another year of reasonable prospects would seem to be as assured as is the long-term future of Canada.

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A. L. Mailman

President, Mailman Corp. Ltd.

My attitude is one of tempered optimism. We confidently expect to be able to maintain good sales volume of our various industries for at least the first six months of 1950. I feel it is unwise to attempt a prediction for a longer period when faced with so many uncontrollable factors in world economy.

Management must be on its toes more than ever with conditions bound to be more competitive. Manufacturers and merchants must apply themselves to get costs down to rock bottom by carefully scrutinizing overhead and other controllable items in order that their merchandise will be priced right at the consumer level.

It is to be hoped that the next U. S. Congress will implement promises already made by the Department of Trade to eliminate inconsistencies in the tariff structure which have created a barrier to the sale of Canadian made goods in the U. S. Friendly treatment here will result in the United States accepting Canadian values as a basis for customs duties and open up a substantial market in 1950 for many of our manufactured lines.

Keen competition will test the mettle of businessmen and some wartime successes may fail to make the grade. Hard working executives who carefully watch and analyze every department of their business should come through with flying colors.

• • •

H. W. Manning

Vice-President and Managing Director, Great-West Life Assurance Co.

Favorable prospects for general business in 1950 indicate that sales of new life insurance will continue at a very high level. The marked growth in population and formation of families in Canada over the past decade has widened the opportunity and need for the services of life insurance.

Total spendable income and personal savings, too, are at record levels after a substantial part of the backlog of deferred demand for household and personal equipment has been satisfied. Thus a larger proportion of income can be invested in individual and family security. In addition, the public today has a greater appreciation of life insurance as a necessity in building financial security for themselves. This appreciation has been enhanced by the quality of the services which carefully selected and thoroughly trained field organizations provide to policyholders.

The continued low level of interest rates in the face of higher costs of doing business necessitates persistent efforts by the insurance industry to operate as efficiently as possible. Continuation of the favorable mortality experience of recent years and an expanding volume of business will also help to keep down the net cost of insurance to policyholders.

• • •

James Matson

Manager, Royal Liverpool Insurance Groups.

While the long term outlook in Canada is undoubtedly favorable, the prospects are that prices will be less in 1950 than they were in 1949. Apart from the question of changes in premium rates, the volume of insurance premiums varies with the price level and production of the country. Therefore, I anticipate that the volume of premiums for 1950 will be less than 1949.

In regard to premium rate levels, I do not anticipate any upward trend in fire insurance rates, but the same cannot be said for automobile insurance rates. Here there are two separate problems. Firstly, the cost of each accident shows no signs of decreasing, the cost of repairs being made up of cost of parts and the level of garage wages, and the level of damages for injuries being influenced by the cost of medical attention and compensation for loss of high earning power. Secondly, the number of accidents is too high. The main problem for the insurance industry is to obtain sufficient public recognition of the necessity of reducing the number of accidents.

• • •

J. G. McCrea

President, Canadian Metal Mining Association.

The coming year looks bright for the mining industry. Establishment of a separate federal Department of Mines indicates growing government recognition of the important place of the mining industry in Canada's economy.

Gold production, up 18% over 1948, should show further increase as a result of the higher price of gold and the modified government cost-aid assistance to marginal mines and their dependent communities. Several new producers are now in operation and a number of established mines are geared for expanding production.

Markets for nickel, copper, lead and zinc should remain satisfactory given stability of general industrial conditions. With the U. S. as Canada's best postwar customer, full benefits of devaluation are received by the base metal industry.

Iron ore production was multiplied 3½ times to a total of $21 millions in 1948. Canada's great potential will make this country an important world producer. Developments in manganese and titanium show long term promise.

Production of industrial minerals should continue to rise. New asbestos mines will be an important factor in this increase.

• • •

Hon. F. B. McCurdy

President, Eastern Trust, Co.

Throughout the past 10 trying years the Canadian public at large exhibited sterling qualities of fortitude and co-operation without which the name of Canada could not have been elevated to its present high position among the nations. That is the record we must emulate—must extend.

Instead of being able to make full use of their maritime position to trade back and forth with their customers by water shipment, that cheapest mode of all transport, the Eastern Provinces by legislative enactment are bidden to trade east and west, to stick to the land, where they must meet the highest, and still mounting, costs of haulage.

Under these artificial conditions it could only be expected that the eastern economy would be the first in Canada to feel the chill implicit in the recent modification of government expenditure and debt creation. And so it is.

Jobs are less plentiful.

While activity continues in many localities, there are large centres here where the present volume of business turnover is 8% to 12% below that of a year ago.

This district's ancient bugbear of emigration—now principally young women—has reappeared.

While therefore our local economic skies are not clear I find amongst our people a determination, never more marked, that—come fair weather or foul—they in their own fields will uphold, encourage and promote those qualities of character which make for greatness in a nation.

• • •

Hartly D. McNairn

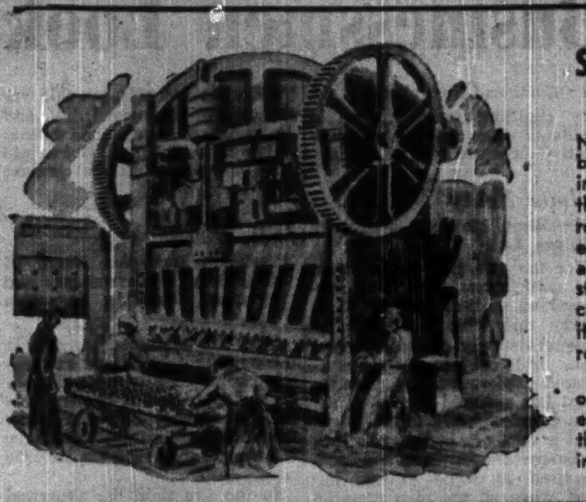
Manager for Canada, Prudential Assurance Co.

The insurance business should look forward to 1950 with a great deal of optimism. The underlying soundness and strength of Canada's economic position has never been more apparent than it is today. It would appear to be sufficient to support the present rate of industrial growth and high level of prosperity we now enjoy in the face of all but a major loss of export markets.

Life insurance sales have always been a good barometer of economic conditions. Production volume has been maintained at a high level for four years and indications are that this will continue with some possibility of an increase if a decline in general commodity prices develops.

A leveling off in fire insurance volume in 1949 may be followed by some decrease in 1950, but many underwriters look for a reduction in the loss rate in line with experience in the U. S. A. There will undoubtedly be increases in automobile rates with but little hope of a reduction in the loss cost. The tremendous increase in volume in this class and the disastrous loss experience has been a major problem for the industry. It is difficult to understand the attitude of comparative apathy of responsible government officials and the public to deaths, injuries and destruction of prop-

(Continued on page 12)



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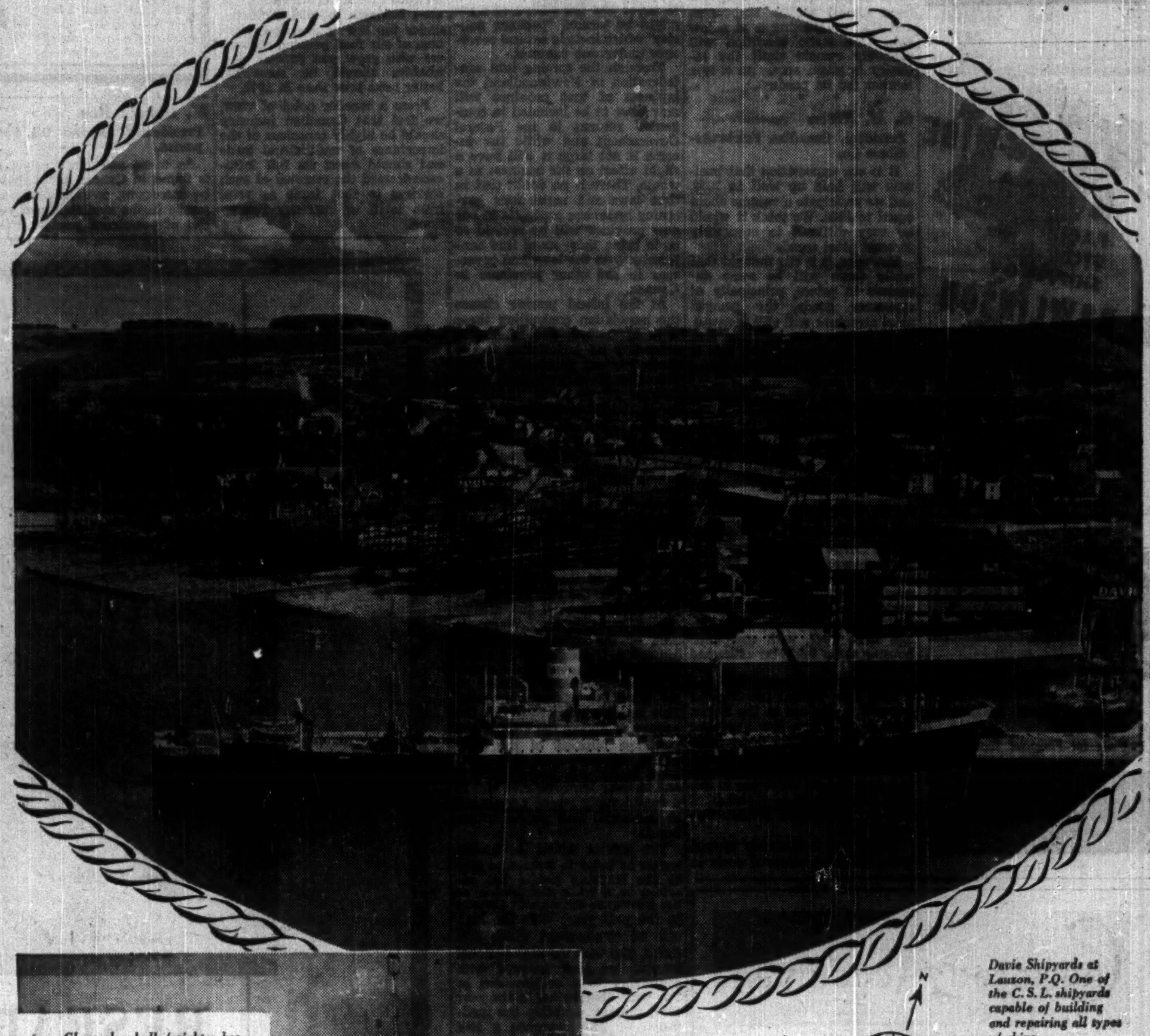

Davie Shipyards at Lauzon, P.Q. One of the C. S. L. shipyards capable of building and repairing all types of ships.

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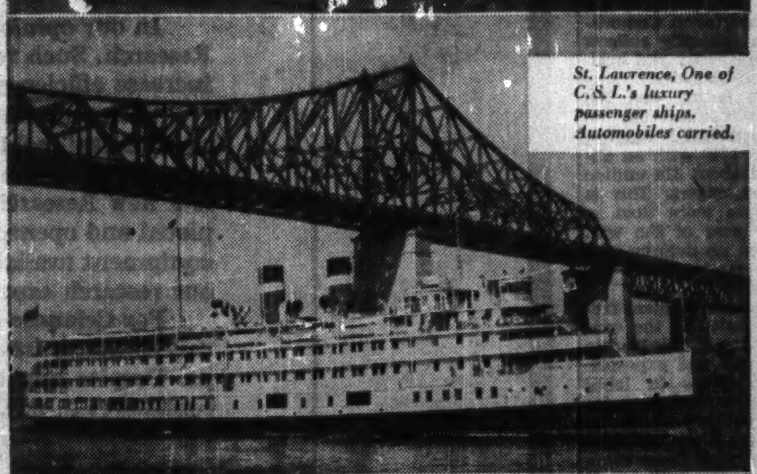

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CANADIAN SHIPBUILDING AND ENGINEERING COMPANY LIMITED
COLLINGWOOD KINGSTON PORT ARTHUR MIDLAND

Businessmen Look at 1950

(Continued from page 11)

erty resulting from automobile accidents when the need for preventive measures is so apparent.

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Balmer Neilly

President, McIntyre Porcupine Mines Ltd.

For the past five or six years, our gold mines have been endeavoring as best they could to "carry on" with a wholly inadequate supply of underground men, and of necessity underground exploration and development has suffered seriously.

In a concentrated effort to extend known ore bodies, this lack of balanced operations has been obscured to some extent, but now, when all the men required are readily obtainable, major development campaigns are once more in motion. Results from such operations are seldom immediate, and during the next year or two, patience, so far as the development of new ore reserves is concerned, will be a necessity.

Generally speaking, it may be said that the serious development of new gold prospects has been almost wholly suspended, and that prospecting is at a low ebb. This static condition will probably remain until the industry is given access to a free market for its product.

• • •

G. M. Niven

President, Canadian Fairbanks-Morse Co.

It is our expectation that business will hold up well in 1950, and we anticipate a volume about equal to 1949. We think it would be very difficult to accurately forecast price trends.

However, it is our thought that while there will be some decreases in prices, principally of consumer goods, the general price structure will still increase. It is certain that expenses will continue to increase and this is undoubtedly the major problem facing business.

During 1949 it has not been too difficult to maintain sales volume, but very difficult to maintain an adequate profit margin and we think this will continue to be our principal concern in 1950.

• • •

L. S. Odell

President, Building Products

The Curtis report published in 1944 showed Canadian housing requirements estimated at 700,000 new units during the ten-year period starting with 1945. Rate of building has exceeded the average since 1947, with completed housing units this year estimated at 90,000.

The building industry has gone a long way toward meeting the demand for homes in the higher cost bracket, but the need for housing units of the low cost or low rental type is still urgent. The influence of increased rents and government assistance in this field should help to maintain a high rate of house construction during 1950.

There was a tendency toward lower building material costs in the first half of 1949, but this was reversed in the second half, and dollar devaluation pushed up materials of U. S. origin. Going into 1950 prices seem firm at present high level.

• • •

J. V. Owen

President, Dominion Board of Insurance Underwriters and Manager, Guardian Assurance Co.

With the continued increase in the number and size of automobile claims coupled with the abnormal high cost of repairs, it is anticipated that insurance rates for motor car insurance will have to be again increased for the 1950 coverage.

In the fire field the abnormal increase in the volume shows signs of tapering off and it is not anticipated that the 1950 income will produce a very large increase over the income of 1949. On the other hand the fire losses have been lower in 1949 than 1948, and if this improvement continues through 1950 consideration for a rate revision is to be expected.

In the casualty classes the tendency is toward broader forms of cover and the selling of what might be termed "package policies" which include several coverages under one contract.

Through the coming into confederation of Newfoundland the business of that province will now have to be included in companies' returns to the Federal Government and while the income is not large it will have a slight effect on the business as a whole. There is no doubt that in time laws and regulations governing insurance contracts in our new province will be revised so as to bring them more into conformity with the laws and coverages in the other provinces in Canada.

In the inland marine classes the association controlling these lines in Ontario and Quebec is extending its jurisdiction to the three Western provinces, British Columbia, Nova Scotia and Prince Edward Island as from the 1st January, 1950, and it is anticipated that under this control conditions, especially in the personal property floater lines will improve.

• • •

J. G. Parker

President, Imperial Life Assurance Co.

The outstanding feature of the operations of the life insurance industry in Canada during the past year has been the greater diversification of the investments held by the companies in their portfolios. During the war a disproportionate amount of government bonds became included in the portfolios of the companies. This has been remedied by the expansion during the year of the mortgage business of the companies, in particular the mortgages to assist in home purchase and in farm improvement, and in a considerably larger investment in industrial and public utility bonds.

The service which the underwriter of today is trained to give to the insuring public has resulted in a wide distribution of life insurance throughout Canada in the past year. With the high rate of employment which still exists, and with the high national income, we look forward with confidence to a continuation of this wide distribution in the year 1950, thereby enabling the institution of life insurance a still greater opportunity to serve the citizens of Canada.

• • •

H. C. Patten

General Manager, Toronto Transportation Commission

The course of the transit industry is to a great extent dependent upon the trends in business activity, industry production, employment and other basic factors that influence the volume of transit riding. The record of passenger carrying on the streetcars and buses of the Toronto Transportation Commission therefore generally reflects the level of prosperity and business activity in this city.

It is worth noting that the Transportation Commission, on the basis of results for 11 months, expects to end 1949 with an all-time record of about 314 million fare-paying passengers. This is some 11 million more than in 1945, the last year of the war. There has been no definite sign yet of any recession since the war ended.

The most serious problem facing the Commission is the continued narrowing of the margin between revenues and expenses. Since 1939 increases in labor costs exceed 100%, and increases in material and equipment costs average at least 80%. Including its new subway, the Commission is spending many millions of dollars each year, (and will do so in 1950 also) for new facilities and equipment which provide better service to the public and more efficient operation. But there is a limit to which this can be carried without increasing the price of its services.

• • •

E. A. Pearce

President, Canadian Canners Ltd.

A let-down in consumer demand after the holiday season is over is customary. The immediate future, in my opinion, does not look too encouraging, and the level of business and employment is possibly faced with further restrictions as a result of a declining export trade both in sterling and dollar countries. More pressure should be brought to bear to endeavor to dispose of our manufactured goods in the United States, and this should be backed up by some definite government action.

On the other side of the picture, we have a slight reduction in taxation; more relief should be given in this direction. We have increased government expenditures, capital expansion, and construction activity all across the country. We also have oil development in Western Canada, hydro development in Ontario and Quebec, and the prospects of ore development in Labrador, all of which will undoubtedly prove very advantageous so far as the long term outlook is concerned.

• • •

H. A. Rapelye

Vice-President and General Manager, Continental Can Co.

The optimism expressed to you at this time last year has been well justified by the results of 1949 operations and we look forward to a continuation of good business in 1950. Actually, under the law of averages, business of our food packing customers who grow and process perishables should be somewhat better next year than in 1949.

From a broader point of view, we feel that Canadian industry should be highly conscious of the importance of multilateral trade and should exert its full influence toward the removal of such barriers to that trade as arise from tariff or currency restrictions.

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W. Harold Rea

President, Canadian Oil Companies.

As more and more crude oil is found in Canada there should be increasing confidence by the public in the availability of supplies of petroleum products. This should result in new uses for petroleum and thus increase the over-all per capita consumption.

Assuming that general business remains normal I would expect to see a continued rise in the consumption of petroleum products in Canada. Prices will be governed by the world crude oil price structure but inasmuch as new fields are continually being discovered and supply meeting demand, there does not appear to be any signs on the horizon which would likely increase crude oil prices.

J. A. Roberts

President, Mercury Mills Ltd. and President, Canadian Exporters Association.

I believe that a Canadian textile industrialist would find it very easy to comment on the

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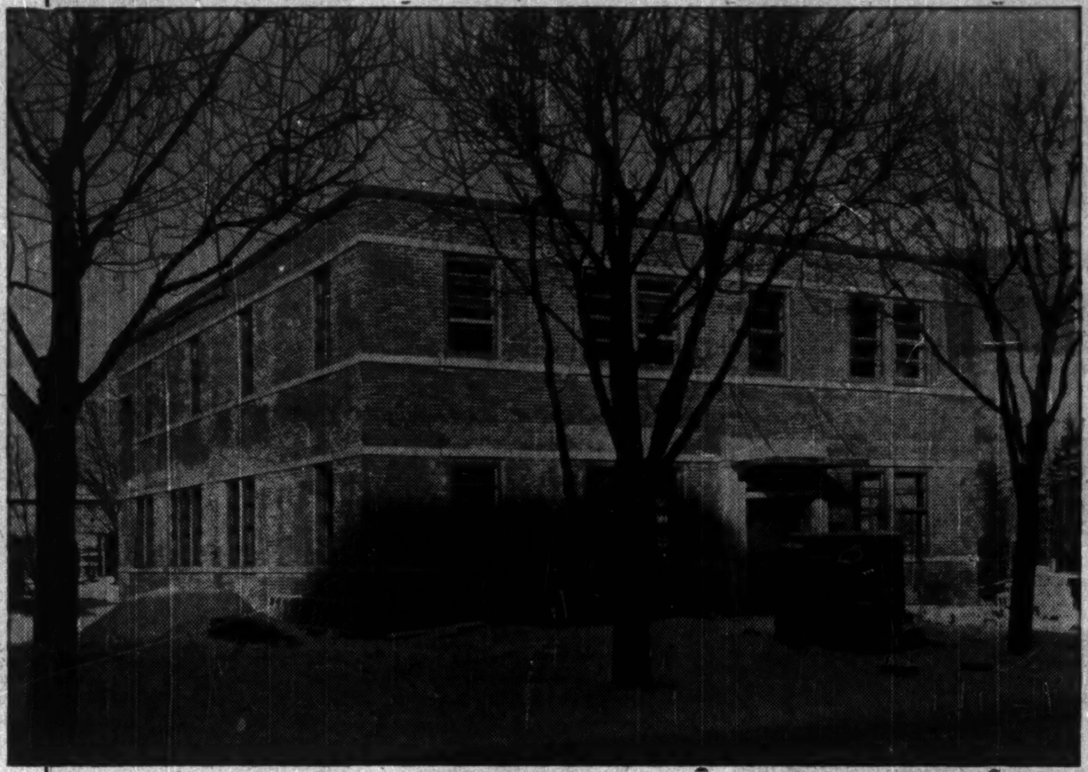

RESEARCH...

The Real Answer to Devaluation!

Devaluation is a device used by governments in economic difficulties to help increase exports to countries maintaining their currencies at higher comparable levels. Textiles are the principal exports of Great Britain to Canada. It is obvious that devaluation of sterling will now enable the British to ship textiles to this country at substantially lower prices than hitherto.

What should be the answer of the Canadian textile industry to this situation?

In our opinion there can be only one real answer—increased Technical Research. Such research can and will develop new and better products and increase efficiency in manufacturing, thereby reducing costs.

With this thought in mind, Canadian Celanese Limited has now augmented its Technical Research staff, members of which are already hard at work on a variety of projects. Also, under construction (as pictured above) is a new Research and Development building. This building will be completed and opened early in 1950—will contain the finest and most complete equipment available in the world today—and will provide every facility for our research experts to develop their ideas.

For Celanese started as an idea... and it is *through* and *by* ideas that this company has grown and prospered. Today the future lies bright before us. Despite any effect that devaluation may have, Research... we are confident... will assure that future!

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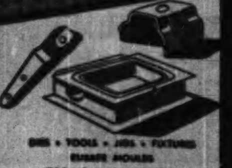

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The Financial Post

Vol. XLIII | Member of Audit Bureau of Circulations | Publication Office: Toronto, December 31, 1949 | Fifteen Cents an Issue, Five Dollars a Year | No. 53

How Does It Look for Business in 1950?

Here's Special Post Survey of Prospects As Seen Industry by Industry

Over-all, 1950 holds promise for another good year in Canadian business. How prospects are for individual industries, in various fields, is shown here in condensed reports compiled by The Post from background information and talks with experts:

Advertising

Through the advertising budget, one gets an advance glimpse at the sales forecasts of a cross-section of Canadian industry. Confidence is reflected in these reports to The Post from major Canadian agencies handling a large volume of accounts:

1. "About a quarter of our clients have decided on higher budgets for 1950—a 10% increase would be a good average. None have struck lower budgets."

2. "No budgets lower, 60% the same, and 40% up. No increases more than 10%."

3. "Bulk of our clients are holding to about the same size budget as last year."

4. "We expect the best year yet, in terms of billings."

Throughout, there was agreement that advertisers are showing increasing precision in selecting media this year.

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Agriculture

Coming at a time when, with the exception of eggs, there were no serious and immediate surpluses overhanging the market, slashing of U. K. food contracts is not expected to cause a farm crisis in Canada within months.

But, until this export outlet is reopened or replaced, the long-term farm picture must be considered uncertain. In such dominant lines as grain, meat, dairy, and poultry products, we normally produce a great deal more than our domestic market consumes.

As a result of devaluation, Canada is currently a high-priced source of foodstuffs for soft-currency countries. Further exports to those areas may be made at prices which, converted into Canadian dollars, are some 25% lower. This, in turn, would affect prices in the domestic market. On present volume, it could mean a 10% to 15% cut in over-all cash income for the Canadian farmer. But size of the 1950 crop is also part of the picture shaping up.

Recent weeks have brought this situation realistically into focus. An end of lush times would find the Canadian farmer much better equipped to stand reverses than in the early 'thirties. Virtually all new farm debt has been for equipment purchases rather than for land, and mechanization makes the Canadian farmer a more efficient producer in competitive times. A period of high income, continuing into 1949 ($1 billion for first six months, compared with $921 millions in same period of 1948) has been of unprecedented length; payments of Wheat Participation Certificates provided a safety cushion.

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Aircraft

Outlook regarded brighter than at any time since the end of the war.

Canadair is getting set to make the North American Sabre jet fighter for the RCAF, with first delivery scheduled next summer.

A. V. Roe (Canada) will be switching from purely development work to preparing for production of the secret RCAF long-range fighter, CF-100, and the Orenda jet engine, also test-flying and selling the Jetliner, Avro's Canadian-designed jet transport. Employment, now at 3,500, will likely go up to 4,000.

De Havilland employment of 800 will be maintained turning out Beaver bushplanes, Chipmunk trainers and overhauling RCAF equipment, including jet Vampire fighters.

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Automobiles

Production, demand and prices to remain high—that's the consensus. Production may not be quite as high as the 1949 record—an estimated 280,000 vehicles of all kinds which was 15,000 more than 1948 and 20,000 more than the previous record in 1929.

Demand is not expected to be as great as in 1949, but enough to keep the industry humming at record speed. There will be immediate delivery on some makes, even among lowest-priced makes of Canadian cars.

Prices of cars will likely be unchanged but what the customer pays may be slightly lower due to cuts in accessories and greater availability of stripped-down standard models. Reductions have already materialized in United States along this line.

United Kingdom manufacturers look for a record year here. Helped by devaluation, they shipped an estimated 25,000 vehicles into Canada in 1949. That gave them 12% of the total domestic market. In 1950, if the price edge given them by the cheaper pound is maintained over the full 12 months, they expect to do even better.

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Banking

Banking pretty well parallels the trend of general business. The general outlook view is considered favorable — for the first half of 1950 at least, with good demand for bank loans and services. While there may be some flattening out in loans and deposits, this is regarded mainly as a healthy consolidation and adjustment.

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Base Metals

Canadian base metal producers start off 1950 with a fairly profitable level of base metal prices, although substantial markdowns have occurred since record prices of early 1949 and even from average prices of 1948.

Despite prospects of increasing exchange difficulties, Canadian producers expect 1950 to be fairly satisfactory. It is pointed out that Canadian mines are supplying practically the entire first-quarter U. K. demand for dollar copper.

In United States, copper production continues far below level of consumer demand suggesting that higher copper prices may develop during 1950. No early increases in prices are anticipated in lead and zinc.

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Brewing

Operations in the brewing industry follow closely the pattern of national income. In 1950 some reduction in business in some areas is looked for with a return to seasonal patterns of demand.

Both 1948 and 1949 were peak years in the industry. New facilities were brought into production, with more to be completed in 1950 and 1951. Competition within the industry is keen; brewing capacity now equals or exceeds demand in most of Canada.

Due to poor barley crops in both U. S. and Canada, price of malt has risen in the latter months of 1949; may cut into brewery profits. Exports particularly to nondollar areas, have been at relatively low levels, show no signs of improving in the immediate future.

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Chemicals

Picture for 1950 in the chemical industry is reasonably bright for the first six months at least, although export markets are being hit by international currency difficulties. New products are being developed, are taking up available productive capacity in many cases where sales of other products have fallen off.

Domestic market for plastics has been good during the past year as new applications have been developed and quality improved. Continuing research into new uses, correction of previous misapplications is expected to maintain sales of plastics at high levels in 1950.

Postwar expansion of chemical manufacturing facilities has just about been completed, and efforts now are being concentrated on making use of available capacity. While sterling devaluation has made competition in world markets more difficult, Canadian devaluation gives a measure of protection in the home market, may encourage manufacture of chemicals not previously manufactured here.

Operating levels of the industry vary fairly closely with general economic conditions. Sales to some industries (e.g. wood pulp, textiles) have been reduced somewhat, but there has been some expansion in other fields (mining, fertilizer, automotive and allied industries).

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Company Earnings

Lower earnings than in 1949 are expected for most industries. Much will depend on developments affecting export trade and the extent to which these affect domestic business. Even where volume holds it will be difficult to maintain profit margins. In the industries dependent on export trade, and particularly food or agricultural lines, volume is likely to be lower. Competition is expected to be stiffer in most fields and particularly for those where export markets have been lost or curtailed (e.g. flour milling and packing) and for those where sterling devaluation may stimulate imports (e.g. textiles).

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Construction

Building industry leaders expect 1950 to show the contract award total for new construction down from 1949's record $1,080 millions; total of work put in place, including repair and maintenance, down from 1949's estimated record $2.7 billions; but in neither case by more than 10% to 15%.

Factors seen affecting the outlook are the recent deterioration in the export trade outlook, a marked slowdown in capital expansion by industry, emergence of regional unemployment other than seasonal, some weakening in demand prospects for consumer durables except housing.

On building costs, expectation is for little if any decline in the first half and for only minor and gradual downward changes if such develop at midyear. The rate of cost-rise slowed in 1948, leveled in 1949 at about 40% above 1946; 120% to 140% above the 1935-39 average. No buyers' market is yet seen emerging uniformly across Canada, though almost all contractors and suppliers will quote firm prices on relatively short-term jobs and deliveries. Steel, pipe, cement and gypsum lath, bricklayers and plasterers still scarce, though easier than a year ago with decline from peak volume building in commercial and industrial categories. Public works volume is seen likely to rise.

For housebuilding, no one yet foresees any major early decline from the 1949 level of $460 millions in new contracts and well over 90,000 units completed.

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Cotton

For the early part at least, 1950 should see a continuing good level of output by Canadian cotton producers. Mill operations in the last quarter of 1949 showed a marked jump over the previous quarter, made it look as though 1949 would show as high a volume as 1948. So far, prospects of a wave of goods from Britain following devaluation haven't materialized, and firming prices in U. S. plus Canadian devaluation have slowed down the earlier rate of imports from that country.

Canadian consumption of cotton fabrics is running 25% above prewar, per capita is roughly three times higher than the world average. There's no shortage now, and competition is keen not only between domestic and foreign producers, but also among individual Canadian mills and is increasing from synthetic fibres. (Cotton accounted for 82% of all fabrics used here 10 years ago, 72% now.)

Greatest competitor for the Canadian industry at the moment is U. S., which shipped 190 million yards in 1949 (10 times prewar) mostly types of fabrics already made here. U. K. sold roughly 30 million yards, well below the prewar rate of 75 million yards yearly. Sterling markets are more profitable to U. K. producers at the moment, but they can sell profitably at prices lower than present quotations; could quickly step up sales in Canada. European countries and Japan, whose wage levels are lower than U. K., are also becoming a factor of importance.

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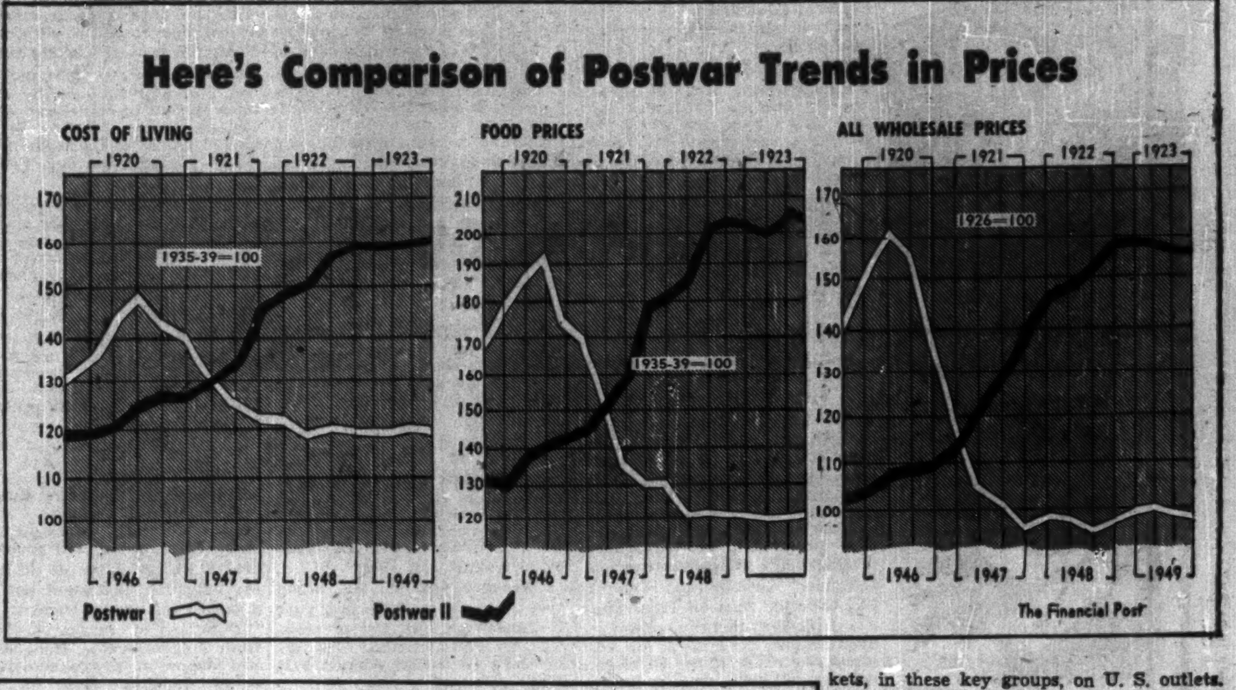

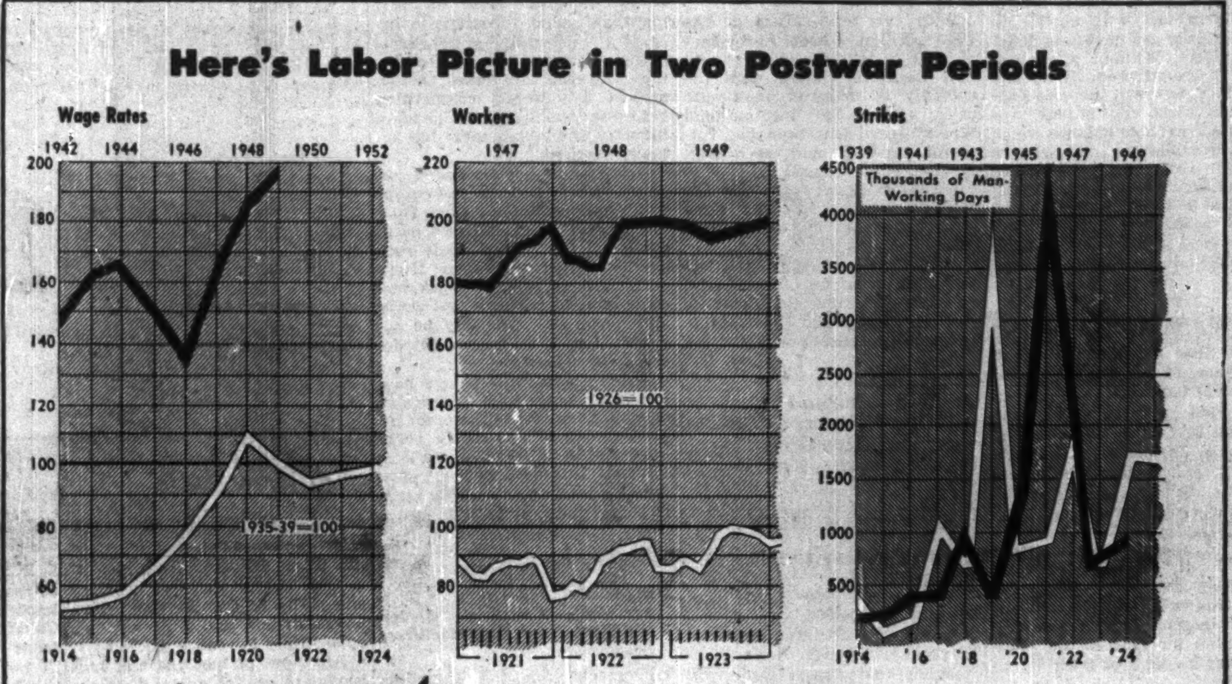

Electrical Appliances

Canada's electrical industry, today fifth among the nation's manufacturing industries, enters 1950 with unfilled demand in many lines still great. Apart from some lines of heavy equipment, however, it's anticipated that supply will catch up with present demand about midyear.

At the same time the industry can look beyond present indicated demand to a large untapped market in home appliances. Of 2.3 million homes in Canada wired for electricity, it's estimated that 65% have no electric refrigerators, 75% are without electric ranges, 47% without electric cleaners and 33% without washers. On top of this it's anticipated that another 95,000 housing units will be completed this year; present installed generating capacity of 12 million hp will be boosted during the year by another 800,000 hp of the 2.3 million hp now under construction.

Rapid expansion in electronic development augurs well for the industry in 1950. Despite highly competitive conditions the industry is currently turning out radios at the rate of 600,000 units a year; the use of television receivers, in Southern Ontario particularly, is increasing rapidly, together with Canadian production of sets.

Increasing use of frequency modulation broadcasts, adoption by the railways of Diesel-electric locomotives, growing use of trolley coaches for street transit systems, expansion in the aircraft industry—these are other major factors promising a good year for the electrical industry.

• • •

Farm Implements

Next year's sales should exceed every year prior to 1949, but won't come up to last year's peak. While the industry rides the crest of a technological revolution on the farms, export business has been affected by currency restrictions abroad.

At home, farm purchasing power and debt position remain good, but the industry can expect to encounter a more cautious buying attitude now. Abnormally high backlog resulting from 19 years of depression, war, and postwar shortages is rapidly being filled, and the prospect is for "more natural demand." Competitive selling will feature 1950.

Ratio of farm implement sales to cash income has been high in recent years, and it is believed that only a major drop in cash income would slow mechanization. Question mark is whether the drop in farm income is already on the horizon.

• • •

Fisheries

Outlook for fresh and frozen fish looks encouraging with both domestic and U. S. demand holding up well and possibly improving; canned fish may be in for some readjustment; cured fish market looks like staying strong.

Atlantic fisheries are not anticipating any substantial variations in price or tonnage in the domestic market. In foreign markets prospects are for lower prices in salt fish; higher production and lower prices in frozen fish.

Over-all, marketing of Canadian fishery products is expected to continue at present pace and in present pattern at least for the first quarter, even in cured and canned products which have been and are potentially most affected by devaluations abroad. The canned producers are making a determined bid for bigger domestic sales; export of dried salted products may be vulnerable in the long run.

The Government's new program for fisheries should prove a valuable support to the industry through such readjustments as may be necessary.

• • •

Flour Milling

Canadian millers should operate in 1950 at about the same levels as in 1949. Although competition is keen, domestic sales are expected to hold up. Export business, though uncertain, is also likely to approximate the past year's results.

Earnings picture for the milling companies may be affected adversely by severe price competition which has developed in some instances in the domestic market, particularly for bakers' business. Cost of wheat has risen to $2.06, and marketing of resulting higher-cost flour products has become somewhat more difficult due to fact that consumers have been used to prices based on subsidized wheat.

Currency difficulties are cutting into the export market to some extent, hit the industry hard last year. ECA shipments continue to the end of the current crop year (July 31), will provide a basic market until then at least.

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Foreign Trade

The Government is looking to maintenance, over-all, of the high levels of trade established in 1950. The hope is based on the assumption that business in U. S. in 1950 will be maintained at 1949 levels, that this market can take up some of the slack developing in our trade with soft-currency countries.

Clearly to be recognized, however, is that intense competition is certain to be increasingly present in our trade resulting from devaluation abroad; competition from lower-priced imports with domestic production competition with our exports in many markets from devalued producers.

Within this over-all estimate there will be many important changes in individual items. Prices of basic food exports like wheat and bacon will be lower (the wheat price will remain at $2 until July 31, 1950, when the final year of the Canada-U. K. contract expires). There will be no Canada-U. K. egg contract and therefore little or no export. There will be continuation and possible extension of the decline in export of scores of manufactured items formerly marketed in the Commonwealth area. Other items like dried fish, softwood lumber, pitprops, etc., which have been marketed heretofore in sterling areas are in difficulty.

Against these cancellations or reductions, the effect of devaluation will boost dollar return of metals, newsprint. Here again the governing factor will be the level of business and income in U. S. The warning signal is that postwar trade trends are making Canada increasingly dependent for export markets, in these key groups, on U. S. outlets. Against this, Canada is increasing the variety and importance of her basic exports in metals and forest products.

Imports from U. K. are expected to be maintained at something better than 1949 levels, despite devaluation. The year may be a decisive one in testing ability of the U. K. and other sterling areas to increase their earnings in the Canadian market. Imports from U. S. are expected to decline. This was evident in last-quarter statistics as results of devaluation became evident. Also important are the gradual increase in Canadian oil production; home output of many items formerly imported; and switching of purchases to the sterling areas.

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Government Controls

The important figure for business to watch in 1950 is Canada's official holdings of gold and U. S. dollars. Fourth quarter holdings (to be published early in January) are expected to show an encouraging improvement over the $985 millions reported on Oct. 31, 1949.

If devaluation and other factors bring further improvement in the first quarter of 1950, there will be a strong case for some further revision in quotas and groupings under Schedules I and II.

Changes under Schedule III (capital goods) are not as likely. The important cutback (Jan. 1) to 90%, for importers of finished goods under Schedule III, is based not on fluctuations in gold and dollar holdings but on the fact that need for U. S. dollars has been reduced because of increased Canadian production of items already imported.

The big controversy on rental controls now depends in large measure on the outcome of the Supreme Court ruling on the legality of federal jurisdiction. This ruling could technically be appealed to the Privy Council; may have a bearing on other remaining wartime controls.

The other important area of federal control hinges on government policy (not yet determined) in respect of floor prices for farm products. The Government's decision not to be easily persuaded to put a floor under egg prices is indicative of the importance that Ottawa attaches to any new line of policy as Canada enters the final phase of her adjustment from war to peacetime markets.

• • •

Gold Mining

Canada's gold mines in 1950 may come close to equalling the $186 millions turned out in 1942, the third best year enjoyed by the industry. Subsidy payments under the Emergency Gold Mining Assistance Act will again prove a powerful stimulant in restoring output.

Profits will continue at a relatively low ebb but should be better than in 1949. With many mine rehabilitation programs now completed, prospects for higher level of dividend distributions are improved.

No important reduction in labor or supply costs has yet occurred but substantial progress has been achieved in spreading costs over larger output. Gold mines in Ontario, however, apparently now face the possibility of higher hydro costs.

• • •

Life Insurance

Life insurance companies predict an increased volume of sales of new insurance in 1950, with increased population, larger number of families and a larger public income.

Investment of life insurance funds continues a problem because of low interest rates, but by putting a larger proportion of funds into investments other than Dominion bonds, companies have been able to increase their yield slightly.

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Labor

Unions will try to make 1950 "Social Security Year." They have their sights on $100 a month, but few really expect to hit that target. Most concede industry can't afford the 15c. an hour that represents at this turning point in the postwar boom; something between 5c.-8c. is what they're really after, whether in the form of pensions or straight pay raises. In a lot of cases, they'll go after a shorter work week with the same take-home pay.

But while wage costs will likely be higher, employers will probably get a better return for their money. Workers will be less inclined to change jobs; they'll work harder. The chief reason: growing unemployment. At year-end it had reached a postwar peak—almost 250,000. A lot of it was seasonal but much of it was due to softening in some industries. At the same time, the total work-

(Continued on page 16)

The Pace of Business: 1949, 1948 Compared

	1949 (est.)		1948
National Income	16,000	—$ millions—	15,450
Exports	2,898.1	—$ millions—	3,075.8
Imports	2,765.2	—$ millions—	2,636.9
Capital Expansion	3,280	—$ millions—	3,045
Construction contracts	1,111.2	—$ millions—	954.1
Retail sales	7,390.3	—$ millions—	7,276.8
Labor Income	7,552	—$ millions—	7,043
Farm Cash Income	2,113	—$ millions—	2,450
Labor Force	5,250	—thousands—	5,115

THE PRODUCTION RECORD

	1949 (est.)		1948
Autos	280,000	—vehicles—	264,178
Gold	4,016	—thousand fine oz.—	3,529
Copper	520	—million lbs.—	481
Steel	3,196	—thousand tons—	3,202
Pig Iron	2,190	—thousand tons—	2,121
Newsprint	5,194	—thousand tons—	4,983
Power (generated by central stations)	47,463	—million kwh—	44,569
Coal	18,644	—thousand tons—	18,450
Petroleum (crude)	20,338	—thousand bbl.—	12,368
Natural Gas	59,880	—billion cu. ft.—	58,603
Shoes	36,727	—thousand pairs—	32,407
Rubber (synthetic)	49,399	—long tons—	40,455
Washing Machines	347,491	—units—	322,963
Electric Refrigerators	174,593	—units—	125,839
Radios	695,700	—units—	639,493
Eggs	336,444	—thousand doz.—	388,579
Lumber	5,554.1	—million Bd. Feet—	5,238
Sea Fisheries	1,187.8	—million lbs.—	1,276.3
Carloadings	3,949	—thousand cars—	4,069
Butter	359.9	—million lbs.—	347
Wheat Exports	202.9	—million bus.—	135.6
Flour Production	19.7	—million bus.—	26.0

"EXPORT"
CANADA'S FINEST CIGARETTE

Businessmen Look at 1950

(Continued from page 12)

business outlook for 1950. The forecast is: unsettled—rain in the offing.

Consumer demand is for lower price trends in textile products which cannot be correspondingly matched by lower costs, with the obvious result that margins become narrow. Should devaluation add to the volume of British textile imports into this country (now 50% of all Britain's total exports to Canada) at the expense of Canadian producers, the situation will become increasingly difficult.

We believe in the necessity for a compensating level of British imports but we hope that they will take a direction which will not seriously dislocate a Canadian industry which does not enjoy the benefit of low labor cost in a country whose textile tariffs are already the lowest in the world.

Canadian knit goods manufacturers will have to change production patterns in order to retain volume.

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A. C. Ross

President, Canadian Construction Association.

In view of the high volume of contract awards in the latter part of 1949, the continuing large volume of housing to be expected from liberalized lending facilities and encouragement to Dominion-Provincial low rental projects under the recently amended National Housing Act, oil and mining developments in Western Canada, Labrador, Quebec and Ontario and expected start on Trans-Canada Highway, there is every indication that the outlook for 1950 is not far short of the $2 billion volume of 1949. Any reduction in costs in 1950 will depend almost entirely on increased labor productivity. Without a guarantee of increased productivity any wage increases will increase construction costs and gravely endanger the delicate balance which makes possible the maintenance of a high volume of construction. The industry's main problem will therefore be to maintain stability, temper possibly extravagant demands, stem inflationary pressure and avoid interruptions to production.

• • •

Eric M. Sabiston

Perth Shoe Co. and President, the Shoe Manufacturers' Association of Canada.

The shoe industry was among the first in Canada to enter and complete its postwar readjustment period, during which production declined almost 25% from the peak year of 1947. Production in 1949 will show an increase of almost 15% over that of 1948.

Shoe inventories at both the retail and wholesale levels are not burdensome or excessive and production for 1950 should show a further increase of from 5% to 10%.

The net result of devaluation has been to raise costs. Shoe prices today are lower than the peak which was reached during the first half of 1948. The industry has been absorbing small increases in costs for the past year but with the recent firming in prices of raw hides, skins and leather, it would appear that the limit has been reached and shoe prices will have to be subjected to a slight upward adjustment.

The shoe industry today is better organized and is operating more efficiently than ever before as is evidenced by the fact that operating margins today are lower than even those prevailing before the war. The increase in shoe prices since 1939, is less than that of any other article of apparel.

• • •

Robert H. Saunders

Chairman, Hydro-Electric Power Commission of Ontario.

The year 1950 is an important one for "Hydro." With the placing "on load" of Des Joachims, we shall, we believe, largely overtake our energy demands—the additional projects under way will maintain this position until 1952 or 1953. Frequency conversion will continue apace.

The general picture appears favorable. While there has been a decline in demand from heavy industry, total energy demand is up from 5 to 10%. The high level of home construction, the establishment of new industries, rural electrification and increased mining activity assure us of continued growth.

No immediate decline in wages is foreseen, nor any major change in material prices, but increased productivity and more active competition may result in lowering the costs of our heavy construction program.

Due to the bringing in of high-cost new facilities, the loss of extraordinary revenues due to overload, and the steadily increasing cost of operation, it has been necessary to revert, in Southern Ontario to approximately the 1937 level of cost of power. Policy will continue to be "the lowest possible cost consistent with financial stability."

• • •

James F. Scruton

Vice-president, H. J. Heinz Co. of Canada.

Many factors will contribute in a measure so to speak, toward an all-round successful business condition during the coming year. At the moment many of those factors cannot be foreseen and must be dealt with as they arise, favorable or otherwise. With a continued favorable national income, a plentiful supply of raw materials and bountiful crops, with the highest quality of merchandise in our finished products, with sound business policies and advanced merchandising methods applied in a practical way, we will continue to be constructive and optimistic in our viewpoint for a year in 1950—that from a sales standpoint at least, will be not unsatisfactory.

We believe in honest competition which we feel promotes not only business, but also helps promote human progress, but if a distorted sense of competition should creep into the conduct of business, it then becomes injurious, sometimes at the expense of business as well as to the individual. So with a fair measure of all the good things mentioned, and continued honest competition, 1950 should really be a good year.

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C. H. G. Short

President and Managing Director, Lake of the Woods Milling Co.

Milling operations for the year ahead are more than usually difficult to forecast in view of the many imponderable results which can and may arise from international currency complications.

Export of Canadian flour which reached its all-time peak in the crop year ended August 31st 1947, with a total of 17,228,485 barrels, declined to 10,760,519 barrels in the crop year ended August 31st 1949.

Exports to the U. K., which were reduced by 40% last year as contrasted with the previous year, will be a further 11% less for the year ended August 31st 1950.

With the termination of the UK-Canadian Wheat Agreement at that date this country will find itself confronted with the anomaly of a lower maximum price under the International Wheat Agreement than has ruled for the U. K. and the domestic market of Canada.

Domestic prices to a considerable extent since 1941 have been subsidized by export volume.

With the shrinkage of the latter, there must be, of necessity, an upward trend to domestic prices, apart from the ever-present problem of increasing costs.

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A. E. Silverwood

Chairman, Silverwood Dairies.

The year 1949 has been a good one for Canada. Manufacturers produced goods in value that exceeded the all-time record. The largest number of civilians in our history were employed and consumer purchasing continued at a high level.

In prospect, 1950 should continue at the present level of employment and domestic economy. There are, however, definite indications that export trade will decline in value and volume. This condition may be offset to some degree by a continuance of very high domestic demand.

The Canadian farmer has some reason for concern inasmuch as he has depended upon a free market in the United Kingdom that has now been restricted. World markets may be closed or minimized if the United States continues to declare farm products in surplus.

For many years the United Kingdom has been an attractive market for the products of Canadian agriculture upon which to an appreciable degree our farm economy has relied. Dairy products are still needed in the United Kingdom, but her weakened economical and financial position in dollars to buy in Canada simply means reduced and restricted buying. This will undoubtedly make for a surplus of dairy products in Canada unless exports to the United States and elsewhere are made possible by our Federal Government.

The reduction in export of cattle for the last half of 1949 indicates an increase in the number of milk cows. This factor with a normal feed supply means a higher milk production in 1950 than in 1949. As a result, we may anticipate a surplus that could cause a decline in return to the farmer for his milk production. This should bring about lower prices on milk and milk products to the consumer.

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Greig B. Smith

Manager and Secretary, Rubber Association of Canada

On the whole the recent currency devaluations will probably deal a further blow to the rubber industry's important but fast disappearing export trade.

Dumping of rubber products from Czechoslovakia, Hong Kong and Japan at prices sometimes below Canadian costs for raw materials alone, threatens to become a major problem to several branches of the industry, unless the Government takes action against this unfair competition before serious injury to Canadian industry and employment has actually occurred.

Devaluation has increased not only costs of materials and equipment necessarily imported from the United States, but also paradoxically, the cost of crude rubber imported from Malaya. Higher freight rates and wages will contribute to create a cost problem which will probably be aggravated by a further slight decrease in volume.

These unfavorable factors having been mentioned it is desirable to emphasize that in the main the products of the industry serve basic needs of life and work in Canada. This ensures the industry as a whole a reasonably satisfactory volume with the present prosperous outlook for Canada in 1950.

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Harold G. Smith

President, Canadian Woolen and Knit Goods Manufacturers Association.

Prospects for the Canadian woolen and knit goods industries in 1950 depend mainly on the extent to which our British competitors take advantage of the devaluation of the pound sterling to reduce their prices in Canada. [illegible] all impor[illegible] woolens and many knit [illegible] come from Great Britain and they have an opportunity to reduce prices 23%.

All types of woolens and knit goods are available in full supply and our modern and efficient Canadian mills could meet the entire demand of the Canadian market on quantity, quality and variety of production. Assuming that Canadian demand continues at the 1949 rate, any increase in imports will be at the expense of Canadian production and employment which are vitally important to the 170 municipalities where this branch of our domestic textile industry employs some 46,000 workers. While increased imports would not likely affect all lines of woolens and knit goods to the same degree or at the same time, the cumulative effect on the industry over the next year could be serious.

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J. P. A. Smyth

President, Industrial Acceptance Corp.

Continuing high levels of employment and individual earnings should, I believe, justify reasonable optimism for business throughout 1950. Sales of durable consumer goods, such as automobiles and household appliances, will probably be well maintained although it is quite possible that considerably more sales effort will be required to hold to the records established during 1949.

The volume of business available to sales finance companies should pretty well equal that handled during the past year. An

(Continued on page 15)

What's Ahead in 1950

NINETEEN-FIFTY should see the continuation of the rapid growth of the London Life because its progress has been built on a solid basis.

The strong financial position of the Company, its record for low cost, and competent representation are prompting Canadians to purchase more life insurance from the London Life than from any other company.

The coming year will mark the completion of an extensive addition to the Head Office building. Need for additional space has been present to an ever-increasing extent since the Company was half its present size. The new facilities will aid greatly in maintaining its high standard of service.

London Life Insurance Company
Head Office - London, Canada

NATURE UNSPOILED

YOURS TO ENJOY

The GOLDEN-CROWNED KINGLET is one of our smallest birds. It seems remarkable that so tiny a creature can stand our severe winter climate. Usually to be found in spruce trees, he hunts scale insects and the eggs of plant lice and deserves protection.

YOURS TO PROTECT

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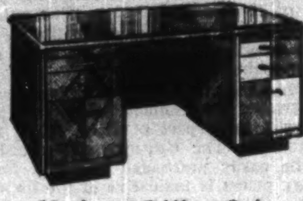
(Advertisement)

For a delightful, refreshing atmosphere in your plant or building install a New Ventura Fan. Built by Canadian Sirocco Company, Ltd., 810 Ellis Street, Windsor, Ontario. Manufacturers of a complete range of heating, cooling and drying equipment.

The CHURCHILL



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ON BEHALF OF TRANSIT PASSENGERS

The movement of people is vital to the business and social activities of any Community.

CONSIDERING THAT: 80%

of the population in cities travels regularly on tramways and buses

AND THAT:

transit passengers are only interested in the use of streets for the movement of traffic.

Every measure adopted to relieve traffic congestion should give priority to the users of public transportation

MONTREAL TRAMWAYS COMPANY

Businessmen Discuss 1950 Prospects

(Continued from page 14)

interesting observation is that the percentage of time sales to total sales of automobiles while somewhat higher than during the preceding postwar years, is still considerably below the ratios established in the prewar period. If similar statistics were available covering the sales of household appliances, they would probably disclose the same trend.

In my opinion the most important problem facing business organizations today, is the high break-even point resulting from substantially increased operating costs. Management will do well to exercise keen vigilance and resourcefulness in carefully keeping expenses within such control as to ensure maintenance of a safe profit margin in the event that there should be any marked decrease in sales volume.

It is difficult, in the light of present-day domestic conditions, to visualize any general recession during the forthcoming year. We should not, however, be unmindful of the adverse results which might attend any major decrease in export sales of our primary products in long-established markets or any serious deterioration in the world political situation.

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Earle Spafford

President, Imperial Tobacco Co. of Canada.

I look forward with great confidence to the year 1950. Undoubtedly, many of the problems that faced a war weary world in 1945 are being successfully worked out, and I believe there is every reason why a feeling of optimism should prevail.

The year just closed has been a good one for the industry in general throughout Canada, with competition keen and a high level of employment maintained.

In our particular industry, volume is up slightly in cigarettes while remaining fairly steady in other departments. Sales would be greatly stimulated if the Federal Government should see fit to make some general downward revision in the Excise Taxes presently being levied on all forms of tobacco products.

Tobacco growing in Canada plays an important part in our general economy inasmuch as for the farmer it produces a crop worth approximately $55 millions and for the Federal Government a tax revenue of some $219 millions.

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R. C. Stanley

Chairman, International Nickel Co. of Canada.

Because of the very broad diversification of uses of nickel and its alloys in the industrial world and the wide range of their properties, it is expected that consumption will be well maintained during 1950.

Total world consumption of Canadian nickel in all forms for the year 1949 is expected to be about 15% lower than in 1948, when a new high peacetime record was established.

During the early part of the year nickel sales remained high and were comparable to the volumes achieved in the previous year. A sharp drop in the period May through August, however, was followed by improvement during the remainder of the year to date, despite the fact that consumption was adversely affected in the autumn months by the steel and coal strikes in the United States.

The fall in demand for various metals, including nickel, required a reduction of nickel production by International Nickel bringing the rate of the last half of the year to approximately 15% below the previous level.

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John H. Stevens

President, Canadian Institute of Plumbing and Heating.

If labor conditions become settled and the government evolves a formula whereby Canada can continue to export agricultural products to Britain, 1950 should see the plumbing and heating industry equal or exceed the high sales volume attained in 1949.

Reports indicate the construction industry will continue to work at a high level in 1950 and it is expected the final results will show approximately 96,000 housing units completed in 1949. Units under construction at the end of September numbered 65,800 compared with 63,700 at the same time last year. New "starts" for 1949 were expected to run to 86,000 while the target set for 1950 is 100,000. Housing will continue to be number one problem with Central Mortgage and Housing Corporation estimating a shortage of 400,000 homes in this country.

A strong trend toward modernization of farms and farm homes will increase the demand for plumbing and heating equipment, dependent, of course, upon the farm income remaining at the same high level. The extension of electric power lines in rural areas is opening vast new markets for this industry which will continue to grow as programs outlined by power commissions and privately owned power companies are completed over the years to come.

The plumbing and heating industry is working at capacity to catch up with the steady demand for its many products.

G. L. Stewart

President, Imperial Oil Ltd.

Developments in Canada's oil industry will be significant factors in the Canadian economy during 1950.

There will be big outlays of capital for western exploration and development, for transportation facilities, for new refineries already announced for the Edmonton area, and for enlargement and modernization of plants at other points. Large quantities of Canadian labor and materials will be involved and in addition to this stimulus for business in general, the saving of U. S. dollars brought about by displacement of imported oil in prairie refineries will continue to benefit the entire economy.

A further increase in consumption of petroleum products is expected and present indications are that the increase will be at about the same rate as in 1949 when consumption was approximately 10% greater than in 1948.

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James Stewart

General Manager, Canadian Bank of Commerce.

For the Canadian economy as a whole the business outlook for 1950 appears favorable, although I would anticipate a leveling off of activity somewhat below the peaks established during 1949. In some areas and for some commodities inevitable adjustments will be faced, not the least of which will be competition from foreign countries. This, however, should bring a more realistic approach to the free market economy and on balance is not an unfavorable factor.

That there is a growing international understanding of the balance of payments problem also is a favorable omen to a trading country such as Canada and this should aid in bringing about an awareness of costs and prices and possibly lead to more efficient production. Domestically, the demand for consumer goods and services remains high and with the adjustment of specific prices, in line with effective demand, there is every indication that volume of output generally will continue at reasonably satisfactory levels.

On the capital side there appear to be many investment projects of both a public and private nature ahead of us and assuming the availability of equipment and supplies these projects should assist in supporting a good level of business activity.

Over-all I would look for the emergence of a measure of stability in the economy, although this should not be taken for granted; it will come through careful planning by business and industry.

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H. J. Symington

Vice-President, Royal Securities

The outstanding features in the business situation in 1949 have been a further marked advance in the development of our natural resources and the continued expansion and diversification of our manufacturing industries. As a result, we have enjoyed in the past year the highest level of national income in our history.

To Canada as a trading nation the developments in other countries and the general level of world trade are matters of the greatest importance. There are difficulties to be faced in the coming year but there is also evidence of a growing worldwide consciousness that solutions to international trade problems must be found.

With its own development, with the high level of investment forecast in Canada and with the recent improvement in business sentiment in the United States, 1950 holds considerable promise for Canada with the continuance of high national income. Its long-term position, however, must be premised on whether the world effort now being made to meet the world dollar shortage proves to be a realistic one.

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Albert Thibeault

President and General Manager, Grand'Mère Knitting Co.

Probably the greatest problem to be encountered by our section of the textile industry in 1950 will be imports. Although raw materials are purchased in the same world markets, labor costs are unequal, and other means such as subsidies are being used to reduce the price of goods exported to Canada. Canada must assume her obligations to help the rest of the world reach a sound economic footing, and the textile industry will probably bear more than its share of this willingly, but the special problem posed by Japanese labor costs is growing very rapidly, and is distinctly unfair to Canadian industry. The Canadian market, however, would appear to be substantial for the next year. Canadian manufacturers will continue to obtain a great part of it based on their ability to make attractive goods at competitive prices.

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J. L. Trumbull

J. L. Trumbull Ltd.

Regarding price trends and volume on tea and coffee for the coming year; we will be entering the year from an all-time record market on coffee prices on the primary market, and a very strong market on tea.

Our costs in Canada on coffee, beyond the severe primary market advances, were affected by the devaluation of the Canadian dollar, and this with duty and sales tax means that our roast cost in Canada is 14 cents to 15 cents a pound higher than that of the United States roasters, as they have no duty or sales tax in the United States. To date the record of retail prices in Canada is lower than that of the United States by a considerable amount, and in relation to cost, should be 14 cents a pound higher at least. Ultimately our Canadian retail prices must be reflected on the primary market costs. What effect high prices will have on consumption is all conjectural. Will it increase tea consumption? These are matters that can only be decided by the consumer. Our own opinion is that very little effect of increased tea consumption will come from lost coffee consumption.

The major problem for 1950 in the tea and coffee trade is the adjusting of costs on the resale and retail prices to the higher costs of the primary markets.

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H. M. Turner

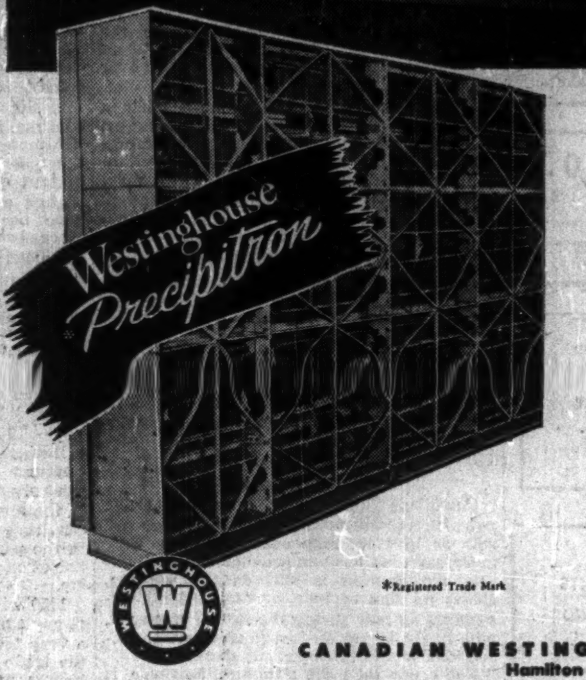
President, Canadian General Electric Co. Ltd.

For Canada's electrical industry, 1950 should establish new records for the utilization of power, value of goods produced, number of persons employed and wages paid. The electrical manufacturing industry holds fifth place among manufacturing industries of Canada; gross value of its production for 1949 is estimated at $460 millions—almost 8% greater than in 1948 and over five times the sales value of its 1939 production. Despite this record output, the unfilled demand for many lines is still great. It is estimated that, in general, supply will catch up with demand about midyear 1950, although some lines of heavy equipment may be short for another year or more.

Our place as one of the leading industrial nations is largely based on the use of electricity in expanding industries such as pulp and paper, textiles, metalworking and general manufacturing. Canada faces a splendid prospect. Her resources of power and raw materials are being developed rapidly Over three quarters of her water power still awaits utilization—much of it within range of existing consumer areas. 1950 is a year of challenge for all Canadians. Electrical manufacturers with greatly expanding facilities, are prepared to help meet that challenge by providing the electrical equipment on which our general economic progress so largely depends.

(Continued on page 17)

An OASIS on the INDUSTRIAL SCENE!



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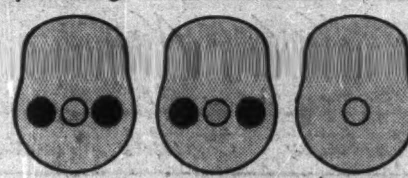

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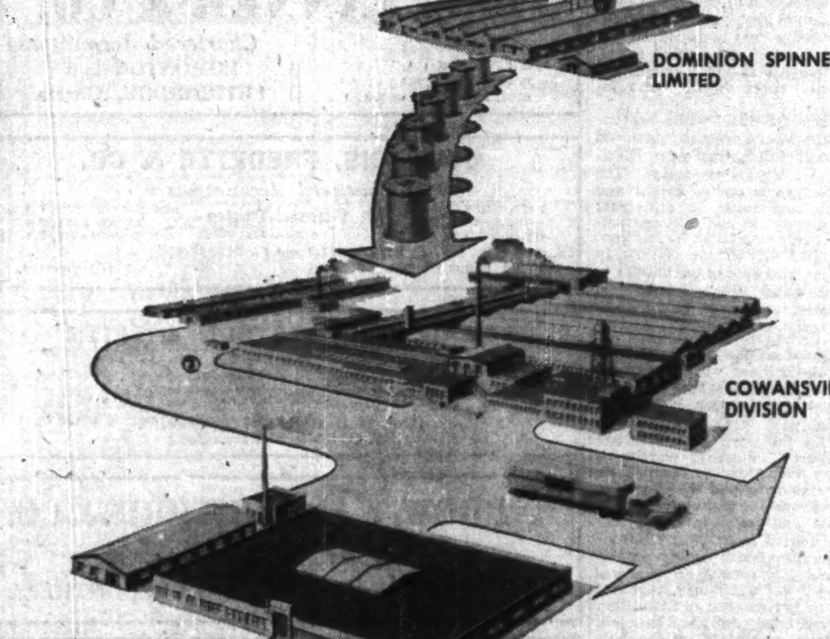

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BRUCK MILLS LIMITED
MONTREAL AND TORONTO

How Does It Look for Business in 1950?

(Continued from page 13)

ing force kept climbing steadily and will likely hold through 1950. The year-end total was just over 5 million. At Oct. 1, average weekly earnings were at a record $43.50. Little or no change is expected through 1950.

• • •

Lumber

Production may be down fractionally from 1949's estimated 5.3 billion board feet for a third year of moderate decline from 1947 peak; may hold best in Ontario and Quebec.

Stronger insistence on exact shipment of grades and sizes ordered is anticipated for 1950. Prices for higher grades seen staying fairly firm, at least through first half; lower grades may weaken further. In general, most building grades more plentiful, possibly fractionally cheaper, though recent freight boosts put a premium on the British Columbia product. Trade sees domestic demand near, if not equal to 1949 level, including building, furniture and packing.

Export outlook "not bad." Buying by U. S. is rising following a degree of recovery from "recession" of a year ago, devaluation of Canadian dollar. British orders seen higher than pessimists expected.

• • •

Municipal Financing

Municipal financing in 1950 should continue at last year's record level when Canadian municipalities came to the borrowing market to the tune of $147.5 millions. Money will be for projects ranging all the way from sewers to new arenas, most of it going for schools, hospitals and waterworks. Loaning conditions are likely to remain attractive with the still-increasing liquid assets of loan institutions pressing for attractive investment channels.

• • •

Oil Exploration

Estimated capital expenditures for the Western Canada oil industry are placed at $150 millions for 1950 as against a little over $100 millions in 1949.

Developed productive oil potential is now in excess of 100,000 bbl. a day but actual output continues below 60,000 bbl. daily as Alberta oil must be marketed almost entirely within the Prairie Provinces. On basis of developed and semideveloped acreage, plus current rate of drilling, potential for producing oil may be raised to 150,000 or 200,000 bbl. daily by pipeline completion in spring of 1951.

Oil reserves are now well beyond the one billion bbl. mark and an Imperial Oil spokesman forecasts reserves of two billion bbl. by a year from this spring.

The western oil expansion program embraces many phases—refineries, pipelines, development drilling, seismic surveys, wildcat drilling, etc.

• • •

Petroleum

Canadians likely will keep consuming petroleum products in 1950 at the same record rate as in 1949; may even use up to 10% more, say top Canadian petroleum men. Gasoline consumption is still on the uptrend, shows no sign of leveling off; fuel oil, depending on how severe the rest of winter is, will likely be up on last year when an exceptionally mild winter cut demand.

The crude oil price structure, however, is beginning to creak. A moderate price cut —say 25c. to 50c. a barrel—might take place by spring, but no sharp break is visualized at this time. U. S. primary petroleum producers are making strenuous efforts to hold price by more rigid prorationing of oil production in Texas oilfields and strong representation to Washington to sharply curtail imports. The external crude picture is also showing signs of weakening somewhat with production increasing rapidly from Middle East oilfields.

Shipments of total refinery products for the first seven months of 1949 amounted to a record 48,321,244 barrels (35 imp. gals.) —up 13.7% from same period in previous year. Estimates for the year put total consumption up about 11% over 1947.

• • •

Pulp & Paper

Competition between foreign and domestic pulp and paper producers in 1949 has been strong, has hit prices in many lines. Demand for newsprint has remained strong due to continuing high consumption levels in United States and despite decline in sterling area business.

Pulp prices, hard hit earlier in the year, have firmed somewhat and are expected to remain at current levels for the first quarter of 1950 at least. Newsprint prices should remain firm for some time yet, with production at or only slightly below capacity. Canadian dollar devaluation has given newsprint producers an additional 10% premium on export sales, should improve earnings.

Uncertainty of international trade conditions due to currency difficulties clouds the nondollar export picture somewhat, but for newsprint it is expected that a scramble for limited Scandinavian supplies will make it necessary for some foreign buyers to return to Canada to replace markets now being lost (U. K., Australia).

Fine paper prices are said likely to be firm for the first part of 1950, with sales improved in the domestic market since end of the lithographers' strike. Export business is at low levels, shows no signs of pepping up.

• • •

Railroads

Outlook for railroads in 1950 depends to a large degree on final awards to be made on the railways' application for an increase in freight rates. The interim 8% increase made in September, gave some relief. Revenues have been running about 3% higher than last year, with expenses up in about the same proportion. Both passenger and freight traffic have shown a decline, and this slight downward trend is expected to continue in 1950.

Although there's been a leveling off in some material costs, one of the more important question marks regarding 1950 operating expenses is payrolls. New demands have been made for wage increases and other benefits, and an Arbitration Board has been set up to deal with the problem.

Extent to which the program of Dieselization and modernization of rolling stock and other facilities will be continued this coming year depends also to a great extent on final decision on the freight rates application.

• • •

Retail Trade

Business should continue brisk at the retail counters through 1950, although over-all sales are not likely to equal this year's record, in the absence of such aids as the volume of purchasing power injected into the economy in the past year by payment of Wheat Participation Certificates, income tax refunds, etc.

1950 will also see competition keener than at any time since postwar days. With all but a very few lines of goods now in full supply the trade will be doing more to entice customers, will be offering a much wider selection of goods, better values. Sales promotions, special offers, etc., will be more in evidence.

This return of competition inevitably will also see a number of newcomers to the business who've never known what competition means fall by the wayside.

• • •

Rubber

During 1949 there was a slight decrease in over-all volume for the Canadian rubber industry arising mainly from sharp drop in exports. Domestic demand continued strong, however, particularly for tires from automobile manufacturers. Both the rubber footwear and mechanical equipment market held at satisfactory levels. At the moment the 1950 pattern promises to continue along these lines.

The sharp drop in exports is the most serious problem facing the industry today as it has resulted in a substantial layoff of employees and idling of special equipment. During the year some rubber products started coming in from Czechoslovakia, Japan and Hong Kong at stiffly competitive prices. Officials in the Canadian rubber industry claim there have been some flagrant instances of dumping, particularly in the rubber footwear and certain drug sundries fields.

• • •

Stock Markets

The bulls say stocks generally are selling at relatively low prices in relation to earnings for the past few years; that yields are substantially higher than obtainable from high-grade bonds; that dividends are likely to be maintained or perhaps even increased. Their reasons: The 10% tax credit from dividend income for investors; bank deposits are at a new high level; and competent estimates of 1950 business outlook point to maintenance of industrial activity, not far from present levels.

The bears say: company earnings will likely be lower than in 1949; that an increasing number of soft spots are likely, due mainly to the export situation; that competition is likely to increase; that the international political and trade situation is likely to remain unsettled.

One thing seems certain: the hunt for stock market values will be more selective.

• • •

Steel

Basic steel is looking forward to capacity operation but soft spots already evident in the secondary industry are expected to deepen. Effects of devaluation both in increases in essential raw materials imported from United States and stiffer competition price-wise from British and Belgian exporters likely will have an important bearing but no weakening is expected in the first half, at least.

• • •

Tourist Trade

The year 1949 was Canada's biggest tourist year yet in numbers of visitors coming here.

But numbers aren't necessarily paralleled by dollar spending, and there have been scattered reports that the U. S. tourist is becoming choosier in his buying, particularly on "take home" purchases.

Dollar-wise, 1949 trade was probably also a record, though not sensationally above 1948.

Looking ahead officials expect to handle record tourist volume in 1950, both numerically and dollarwise.

• • •

Woolens, Worsteds

Demand for woolen and worsted goods in 1950 should continue close to 1949 levels but more Canadian demand will likely be filled from U. K. as a result of price advantage brought about by pound devaluation.

Prospects for domestic manufacturers depend mainly on the extent to which U. K. competitors take advantage of devaluation, the only advantage of which to the domestic industry is somewhat reduced price of wool. Since raw material is only around half of manufacturing cost and other cost factors are still rising, domestic manufacturers find themselves in a tightening squeeze position.

Worsted manufacturers are generally underpriced at the moment by U. K. competitors and are having to depend increasingly on special factors such as early delivery, styles, credit arrangements, etc., to maintain sales volume.

What's New

Laundryless Linen

Soft flannel backing with surface coating which may be wiped clean with damp rag features "Damasclene," table linen made by CIL and re-introduced after lapse during war years. Material won't pucker; not affected by hot dishes.

• • •

Store Sign-Maker

Montreal firm is making self-adhesive letters and figures for quick work on window signs, price tags, etc. In seven sizes, four styles, six colors, will adhere to any smooth polished surface—glass, tiles, mirrors etc. Both sides of "Zell-Ems" adhesive; makers claim plastic material (polyvinyl chloride) not affected by weather changes.

• • •

Pocket Magnifier

British "Ultra-Lens" now distributed in Canada is pocket-size, self-contained electric magnifying glass which can be placed on textiles, stamps, faults in tools, on grain samples, and many other uses. No focussing required; battery light brightens area being examined.

Auto Repair Light

Made of aluminum, new light for roadside repairs on autos, trucks has flashing mechanism sealed in glass which gives red warning signal visible for mile. Reflector on white light throws 1,000 ft. beam; unit can be rotated in full circle.

• • •

Aluminum Tumblers

Tumblers of impact extruded aluminum and Alumilite-finish in many colors offered in United States in eight and 14-oz. sizes, sets of six or eight; coasters to match available.

• • •

Floor Fan

Hassock-type floor fan for room-wide air circulation said to be safe for children, because blades are beyond reach of youngster's fingers. Four curved air-injector rings in base aid air flow; deep-pitched plastic blades force air into deflecting cone which spreads air into room from three-inch grilled area around top of unit. Finished in maroon and chrome, stands 13 ins. high, weighs 15 lbs.

Most Apartment Landlords Asking New Rent Increase

Landlords in Halifax, Vancouver and most of the larger housing shortage points between haven't been slow to take up Ottawa's latest concession on rent control—an 18% increase for unheated, and 22% for heated self-contained dwelling units on a lease of a year or more effective Feb. 1. Even Charlottetown's regional office of the Federal Rentals Administration (WPTB) got a mass rush from property owners to pick up the official offer-of-lease forms.

In Montreal, Canada's rental housing capital city, and in the capital itself — Ottawa traditionally is short of rental housing even when other big centres aren't — impact of the increase may prove greater in dollar volume as a percentage of assessment than anywhere else in the country.

Most tenants not now under lease are being offered a 12 or 15 months lease at the new rate. Representative Montreal and Toronto owners of medium-rate apartments, and self-contained flats not now under lease were interviewed by The Financial Post. Almost without exception they said they were asking most or all of the allowed increase and expressed confidence the tenants would go along.

Maybe they're right. If the tenant refused and got out, he'd have to look for a place where the rent and tenure are uncontrolled. Besides, he has 30 days to decide. And even if he accepts the landlord's terms, he can change his mind any month — as regards tenure, the lease is binding only on the landlord.

It's too early yet to gauge what's happening. But at this stage it looks like a big rise in badly needed revenue for the average landlord and some trimming of luxuries, perhaps some hardships, for the average tenant.

Ceramics Co. Places Orders For Machinery

MONTREAL (Staff)—Installation of equipment in the new earthenware plant of St. Lawrence Ceramics Ltd. at Quebec City is expected to begin around Jan. 15, a company official informs The Financial Post.

Some equipment is being purchased in the United States, but the company is endeavoring to get as much as possible from sterling sources, mainly the United Kingdom and western Germany. Company hopes to get into production by June, 1950.

About $1 million is being invested in the enterprise, the funds being supplied by Canadian and Swiss interests. Quebec Industrial and Municipal Commission is assisting in the financing through purchase of $150,000 3¼% first mortgage bonds, Series A, for its industrial fund. A further $450,000 4% first mortgage bonds have been sold privately in Canada. Authorized capital stock consists of $600,000 common stock, $100 par, of which $300,000 has been subscribed and issued.

The plant, which has a floor space of 80,000 square feet, cost $450,000, and a further $200,000-$250,000 is being spent on equipping it.

Arrangements have been made to bring out technicians from Villeroy & Boch, ceramics firm founded in Luxembourg in 1748. This company owns several factories in western Europe, the most important of which is in the Saar territory.

Plant furnaces and all equipment will be electric, and will use about 1,200 h.p. under a contract with Quebec Power Co. Approximately 100 people will be employed. Raw materials will come from Quebec, Ontario and the U.S.

President of the new company is A. P. Dodd of Vernon, B.C. Other directors include: A. Daussin, Geneva, Switzerland, vice-president; George S. Dingle, Gustave Monette, J. J. Gourd, Montreal. Roger Charbonneau, Montreal, is secretary-treasurer.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

COCKSHUTT PLOW CO. net profit for the 12 months ended Oct. 31, 1949, was $2,070,013 as compared with $2,062,002 for 11 months period ended Oct. 31, 1948. Sales, income and cash position all showed a definite improvement. A "gratifying" sales increase was enjoyed in the domestic market, the annual report states. Sales to the U. S.—the most important export market—also increased.

Prospects for 1950, while reasonably encouraging, are not as assured as at this same time last year, President C. G. Cockshutt states. The world picture is not as bright and it seems reasonable to anticipate some reduction in business, particularly in overseas and U. S. markets.

The new "40" tractor is now in production and should contribute to additional sales, it is said. Several other major items are being engineered and made ready for production. Land has been purchased recently in Montreal and Winnipeg. Eventually a new warehouse will be built in Montreal where the company now occupies leased premises.

During past year, income tax authorities indicated that they are not prepared to accept company's inventory valuations for immediate postwar years and provisions have been made in the accounts for the estimated additional taxes. Directors feel that it is prudent to maintain these provisions against inventories and these tax-paid reserves amounting to $1,250,000, together with a further amount of $1 million transferred from profit and loss, are now shown separately on the balance sheet as a deduction from inventories.

CONS. INCOME ACCOUNT

	12 mos. ended Oct. 31 1949	11 mos. ended Oct. 31 1948
Net earnings	$7,980,886	$5,791,396
Less: Int. on bk. loans	38,981	168,600
Bond int.	202,162	73,360
Depreciation	872,816	574,006
Invent. res.	1,000,000	900,000
Inc. tax res.	3,850,000	2,0[illegible]455
Add: Prof. on prop. sold	53,086	11,027
Net profit	2,070,013	2,062,002
Less: Dividends	534,050	363,654
Surplus for year	1,535,963	1,698,348
Earnings per share and Dividend Record:		
Common	$4.85	$4.83
Pay. fol. year	1.25	0.85

CONDENSED CONS. BALANCE SHEET

As at Oct. 31:	1949	1948
Cash	$5,104,282	$1,946,314
Accts. rec.	1,123,228	2,075,341
Inventories‡	13,158,752	12,598,050
Total curr. assets	19,386,262	16,619,705
Misc. assets‡	334,541	503,470
Fixed assets*	6,443,482	6,491,822
Total assets	26,164,285	23,614,997
Accts., etc., pay.	2,231,540	2,483,038
Taxes pay.	2,887,073	1,497,250
Total curr. liab.	5,118,613	3,980,288
Funded debt	4,750,000	4,875,000
Conting. res.	2,500,000	2,500,000
Capital stock	7,735,554	7,735,554
Capital surplus	1,463,176	1,463,176
Surplus	4,596,942	3,060,979
‡After res. of	2,250,000	1,250,000
*After depr. of	8,246,317	7,453,594
‡Incl. ref. EPT	......	158,553
Working capital	14,267,649	12,639,417

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Businessmen Look At 1950 Prospects

(Continued from page 15)

William A. Wecker

President, General Motors of Canada Ltd.

A persistent backlog of unfilled orders in the hands of automobile dealers in Canada makes the manufacturer's outlook bright for 1950. Our own company is many months behind in deliveries to customers. The price trend for our product is not downward, but the line could probably be held if the price of basic materials and components could be kept at present levels or below. Some opportunities for reduced prices to the consumer exist in the field of taxation, where sales tax, excise tax and local surtaxes together form a heavy burden on the car purchaser. Any relaxation by the taxing authorities would mean immediate reductions in retail prices.

How to hold our place in the world car market will present a big problem in 1950. In normal prewar years, Canadian automobile industry shipped abroad about 30% of its annual production. This trade was most beneficial, because it tended to level employment throughout the year and it reduced overhead at the same time that it increased volume, tending to make cars cheaper for Canadians. In 1949 the Canadian industry shipped abroad only about 10% of its total production. It is a challenge to Canadian producers, all the way from raw material to finished product, to pare their costs so as to compete substantially against all comers.

• • •

H. G. Welsford

Vice-president and General Manager Dominion Engineering Works Ltd.

The major problem before industry will continue to be to effect the necessary adjustments which our present situation demands, namely, to make ourselves less dependent upon expenditures of U. S. dollars and to meet the effects of the recent sudden and drastic devaluation of the pound with the least disturbance to our economy.

I do not believe that the solution to these problems will be found merely by increasing our purchases of manufactured goods from the U. K. It will involve also a broadening of our markets for all the commodities and goods which we produce for export, as well as some increase in our capabilities and capacity to produce for ourselves some of the things for which we have in the past been dependent upon other countries. I believe that this is the only way in which we can keep our economy functioning efficiently and effectively to maintain the employment which our people look to enterprise to provide.

• • •

W. K. Whiteford

President, British American Oil

The year 1950 should be a good year for the petroleum industry in Canada. Sales should continue at the record volume of 1949 and in all probability surpass them. The world supply of crude oil has improved with a consequent leveling off of price. Should any adjustment in the price of crude occur during 1950 it is likely to be a small one and in all probability downward rather than upward. Any reduction in the price of crude, in the absence of other factors, as for example increased freight rates or increased cost of labor or materials, would probably be reflected in a readjustment of the price differential of some of the consumer products.

The year should see the greatest exploration and development work in Western Canada in our history. Products from western crude should also be forthcoming before the year's end from one or more of several new refineries scheduled for construction in the Prairie Provinces during the year.

The buyer's market has already reached the petroleum industry and those companies which devote particular attention to the quality of their products and to service should do especially well during 1950.

• • •

P. A. Wootten

President, Vancouver Stock Exchange.

During 1949, the fourth postwar milestone, much progress was made toward stability in world affairs. Most nations are commencing to show a desire for a greater understanding of the problems of each other and a desire for co-operation on a broader scale than ever before known. Such developments should, in time, bring about a world trade revival, which could well reach far greater proportions than any previously experienced.

A world revival in trade will likely be gradual at first and during the coming year further improvement in confidence should result in higher prices for securities generally with an expanding volume of business on all stock exchanges. The major problem in economics for 1950 is the solution of the problem of world exchange of money. No worthwhile revival in world trade can come until exchange controls have been lifted.

• • •

Walter P. Zeller

President, Zeller's Ltd.

All signs point to a reduction in exports. As Canada's prosperity is largely dependent on its ability to maintain a high volume of exports it is only reasonable to expect some downward trend in business conditions in general during 1950.

Our company's assortment of merchandise consists mainly of essentials in a moderately priced range. For this and other reasons I think we will be able to maintain a volume of sales and earnings either equivalent to or not far below the year now ending.

YOU ASKED US

The Financial Post will provide subscribers as quickly as possible with the answers to specific questions about business, taxation, investments, and other subjects. The Post cannot undertake to make predictions, will not express opinion on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave., Toronto 2. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. If more than one enquiry is being sent, subscribers are asked to submit each on a separate sheet of paper, to facilitate research work entailed.

INCOME TAX

Dependents' Deductions

What is the deduction allowed for supporting a wholly dependent relative?

For dependents not eligible for family allowance, the deduction is $400; for children eligible for family allowances, $150.

Marital Status Changes

We have an employee who was married on Nov. 1. His wife was working for our company before her marriage and after marriage kept on working for us. The wife's earnings after her marriage were less than $1,000.

How is the husband's tax position affected by his wife's earnings after her marriage, and for the entire year?

How should our company, as an employer, report the wife's status—as a married woman or as a single person?

The husband's tax status will be that of a married man for 1949. His exemption will be reduced, however, by the excess of his wife's income after marriage in excess of $250 but not exceeding $1,000. The wife will be taxed as a single person on her total income for the year.

The employer should report her as a married woman but also state that she was single up to Oct. 31; married from Nov. 1 to Dec. 31.

INVESTMENTS

Rand Malartic

Can you tell me anything about the present position of Rand Malartic Mines? Would you say the company's property still has possibilities?

Rand Malartic Mines continues to hold its gold property of 12 claims in Fourniere twp., Quebec, lying between East Malartic Mines and Malartic Goldfields. The company has an authorized capital of three million shares of which 2,150,000 shares have been issued.

Considerable diamond drill exploration has been carried out on the company's properties in years past both by the company itself and by McIntyre Porcupine Mines which held an option for a time. In original work diamond drilling was thought to be sufficiently encouraging to warrant sinking of a shaft and a start was made on this. However, the shaft was never completed and later on the property was "rated down" when McIntyre did some further work and then withdrew. The company enjoys an extensive area of favorable rock and the ground certainly can't be written off as a mining prospect. At the moment, however, the company is on the inactive list and we have heard of no move recently to resume operations. Malartic Gold Fields is exploring to the west and this is of interest to Rand.

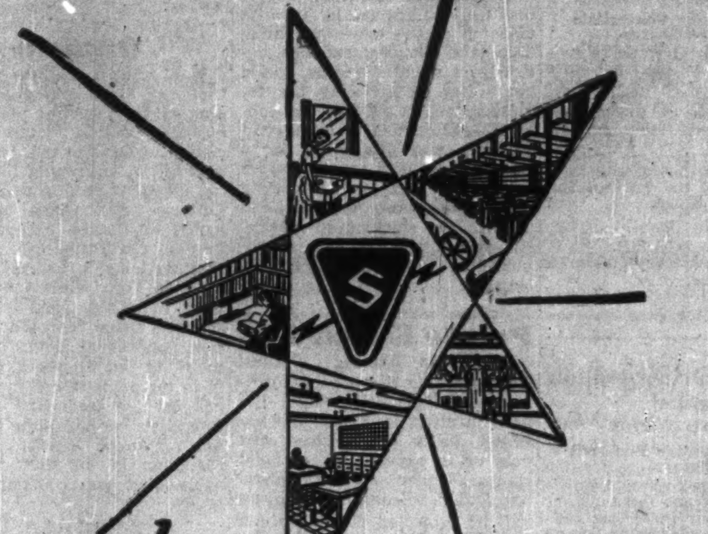
Kewagama Gold

I have seen no reports on Kewagama Gold Mines (Quebec) for some years. What is the present position with respect to this company?

Kewagama Gold Mines still retains its property adjoining O'Brien on which a shaft is sunk to 524 ft. with a winze to 700 ft. but no work has been done for many years.

As O'Brien does further work it is possible that interest in the property may become greater. The present company, Kewagama Gold Mines (Quebec) succeeded Kewagama Gold Mines Limited.

CITY OF TORONTO, Ont., new issue of $48,274.59 2¾% debentures due Oct. 1, 1950 to 1959, has been sold by tender to a syndicate headed by Wood, Gundy & Co. including A. E. Ames & Co., Royal Bank of Canada, Dominion Bank, Bank of Toronto and R. A. Daly Co. Price was $102.28 or a cost to the city of 2.30%. Proceeds for local improvements.



To keep the New Year BRIGHT!

At home, at your office, store or plant, may your Christmas be merry and light—and may all your New Years be bright!

From the standpoint of illumination, they *will* be if you are lighting with new made-in-Canada Triple-Life Sylvania Fluorescent Lamps. And your annual lamp expenses will be lighter, too!

For, due to exclusive developments in Sylvania research, these lamps give you 200% more light value than ever before because they last three times as long. With a rated average life of 7500 hours, they can be expected to last, under average conditions, 2½ years in stores, 3 years in offices and factories operating one shift, 6 years in schools and 7 years in home kitchens and bathrooms.

Sylvania Fluorescent Lamps are made in Canada in sizes and colours for every need—including Warmtone, the first fluorescent to approach the colour-tone of incandescent light.

If your dealer cannot supply you, write direct to Sylvania Electric (Canada) Ltd., University Tower, Montreal, Que., Dept. P.

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STEEL makes us all neighbours

Steel has tied our land together. It has linked community to community, made neighbours of us all. It is helping us to achieve and maintain a way of life, a standard of living that is the highest in all history.

Every day, every hour, every minute, steel is serving Canada's needs. Serving the farmer, the manufacturer, the builder, the contractor. In one way or another, it enters into the daily life and activity of every Canadian business and every Canadian home.

Without steel, Canada as we know it could not exist. In its place there might, at best, be a primitive society devoid of progress, lacking in the amenities and deprived of the conveniences which only steel makes possible.

Steel has made neighbours of us all.

As Canada's largest steel company, Stelco is proud of the contribution its products have made and are making to the unity, progress and prosperity of the Canadian people.

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DIVIDEND NOTICES

St. Lawrence Corporation Limited
DIVIDEND NOTICE
First Cumulative Convertible Preferred Shares

Notice is hereby given that a dividend of Fifty Cents (50c) per share has been declared on the outstanding First Cumulative Convertible Preferred Shares of the Capital Stock of the Corporation, payable January 25, 1950, to the Shareholders of record at the close of business on January 4, 1950, subject to the approval of the Foreign Exchange Control Board.

By Order of the Board,
L. A. TUCKER,
Secretary-Treasurer.

820 Sun Life Building,
Montreal, Que.,
December 19, 1949.

St. Lawrence Corporation Limited
DIVIDEND NOTICE
Second Cumulative Preferred Shares

Notice is hereby given that a dividend of Eighteen and three quarter Cents (18¾c) per share has been declared on the outstanding Second Cumulative Preferred Shares of the Capital Stock of the Corporation, payable January 25, 1950, to the Shareholders of record at the close of business on January 4, 1950, subject to the approval of the Foreign Exchange Control Board.

By Order of the Board,
L. A. TUCKER,
Secretary-Treasurer.

820 Sun Life Building,
Montreal, Que.,
December 19, 1949.

St. Lawrence Paper Mills Company Limited
DIVIDEND NOTICE
First Cumulative Redeemable Preferred Shares

Notice is hereby given that a dividend of One Dollar and Fifty Cents ($1.50) per share has been declared on the outstanding First Cumulative Redeemable Preferred Shares of the Capital Stock of the Company, payable in lawful money of Canada on January 25, 1950, to the Shareholders of record at the close of business on January 4, 1950, subject to the approval of the Foreign Exchange Control Board.

By Order of the Board,
L. A. TUCKER,
Secretary-Treasurer.

820 Sun Life Building,
Montreal, Que.,
December 19, 1949.

St. Lawrence Paper Mills Company Limited
DIVIDEND NOTICE
Second Cumulative Redeemable Preferred Shares

Notice is hereby given that a dividend of Sixty Cents (60c) per share has been declared on the outstanding Second Cumulative Redeemable Preferred Shares of the Capital Stock of the Company, payable in lawful money of Canada on January 25, 1950, to the Shareholders of record at the close of business on January 4, 1950, subject to the approval of the Foreign Exchange Control Board.

By Order of the Board,
L. A. TUCKER,
Secretary-Treasurer.

820 Sun Life Building,
Montreal, Que.,
December 19, 1949.

STELCO
THE STEEL COMPANY OF CANADA, LIMITED
PREFERENCE DIVIDEND No. 184

Notice is hereby given that a dividend of seventy-five cents (75c) per share on the Preference Shares of the Company has been declared for the quarter ending December 31, 1949, and an extra distribution of one dollar ($1.00) per share has been declared, both payable February 1, 1950, to shareholders of record at the close of business January 6, 1950.

By Order of the Board,
H. S. ALEXANDER,
Secretary.

Hamilton, Canada, December 16, 1949.

STELCO
THE STEEL COMPANY OF CANADA, LIMITED
ORDINARY DIVIDEND No. 132

Notice is hereby given that a dividend of seventy-five cents (75c) per share on the Ordinary Shares of the Company has been declared for the quarter ending December 31, 1949, and an extra distribution of one dollar ($1.00) per share has been declared, both payable February 1, 1950, to shareholders of record at the close of business January 6, 1950.

By Order of the Board,
H. S. ALEXANDER,
Secretary.

Hamilton, Canada, December 16, 1949.

Guaranty Trust
Company of Canada
58th CONSECUTIVE DIVIDEND

NOTICE is hereby given that a dividend of 1¼%, being at the rate of 5% per annum on the paid-in capital stock of the Company, has been declared for the quarter year ending December 31st, 1949, payable January 16th, 1950, to shareholders of record at the close of business December 31st, 1949. By order of the Board.

J. WILSON BERRY
President & General Manager

Reitman's (Canada) Limited
PREFERRED DIVIDEND NO. 11

Notice is hereby given that a regular quarterly dividend of 1¼% (25c) per share has been declared on the outstanding 5% Cumulative Redeemable Preferred Shares of the Company, payable on February 1st, 1950 to shareholders of record at the close of business on January 14th, 1950.

By Order of the Board,
JACK REITMAN,
Secretary-Treasurer.

Montreal, December 14th, 1949.

Provincial Roundup

Significant events in public affairs and business in the Canadian provinces

Newfoundland

Corned Beef Allowed: Maggie may heave Jiggs and his favorite dish out of the house but Newfoundland Government has decided its social standing would not suffer by allowing the remarriage of corned beef and cabbage. Sale of beef in some communities was disallowed for a time because of a scarcity which might have resulted in cutting off supplies from isolated areas during the stocking-up period. However, supplies were replenished before navigation closed.

• • •

Prince Edward Is.

$20,000 In Accident Claims: During the six months the Workmen's Compensation Act has been in effect in Prince Edward Island, about $20,000 has been paid or is payable in accident claims. Under new Dominion Legislation, Federal employees will be protected under the Act here, where formerly they came under the New Brunswick Compensation Board.

• • •

Nova Scotia

Heavy Tire Remover: Of interest to garagemen and Canadian Army Ordnance depots is a heavy-truck tire removing device invented by Nova Scotian E. H. Horne (namesake nephew of the discoverer of Noranda Mine). Tire remover is a 600 lb. machine capable of rolling tire from rim in a matter of seconds and without hand labor. Secret lies in three big disc rollers operated by an electric motor. Device has been patented and soon is to be placed on the market with a Halifax firm as agent. Manufacture has already been started by a Pictou County firm to deal with orders received following demonstrations in Toronto and Montreal.

• • •

New Brunswick

New Federal Building: Call for tenders may see a January start on a new federal government building at Fredericton. Detailed plans announced by Minister of Veterans' Affairs Gregg call for a three-story structure, stone faced, U-shaped with a portico enhancing the entrance on Queen St. and a court in the rear. Floors will each have an area of some 13,000 sq. ft. and will house offices of the customs and unemployment insurance commission, departments of mines and resources, labor, fisheries and agriculture. In basement will be vaults for records of all departments.

• • •

Quebec

Commission To Probe Insurance. A three-man commission has been formed to review Quebec's insurance legislation and look into "federal government intrusion in the insurance field." Said Premier Duplessis: "federal governments, both Liberal and Conservative, have interfered in this field, ruled by Privy Council to be within provincial jurisdiction. Cessation of such encroachment would be an excellent factor of co-operation." Commission will be headed by Marcel Faribeau, Montreal notary, and its two members will be Gerard Trudel, Trois Rivieres lawyer, and Bernard Devlin, Quebec City lawyer.

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Ontario

Want Bingo Games Curbed: Claiming bingo games are running wild and hurting the theatre business, Motion Pictures Association of Ontario will soon present a brief to Premier Frost asking for strict enforcement of the Lotteries Act which prohibits games of chance except under limited circumstances. Association has taken a survey from Ottawa to Fort William to obtain facts of games held and who sponsors them. Says the Association, "occasional games could be tolerated but abuses have crept in to the point where 'occasional' has become frequent." Association is also organizing a move to ask provincial legislature for a reduction in the 20% wartime amusement tax, commencing in March.

• • •

Manitoba

Seek Fishing Controls: Seeking aid for Lake Winnipeg fishing industry, Manitoba Associated Chambers of Commerce have asked the provincial government, among other things, to: adopt standard grading; limit number of boats in fall fishing operations and set a limit on catch of Yellows and Saugers; enforce fully regulations governing supplies of ice and cooling systems in fish stations and boats; open more hatcheries on the lake and create more sanctuaries for propagation; support fishermen in obtaining fair share of the commercial value of their production; abolish extension on all seasons. Such program would mean salvation of the industry, officials claim.

• • •

Saskatchewan

15-Year Power Plan: Linking some 2,400 farms as first step in major farm electrification program may be undertaken by Saskatchewan Power Corporation in 1950. Under study is a five-year plan which, if successful, would be followed by like plans over a period of some 15 years. In 1949, 1,200 farms were connected as a test of rural electrification legislation passed at last legislature, but results as yet have not been determined. To make program possible, three major steam plants are to be expanded at Estevan, Saskatoon and Prince George. There will also be changes in some 12 Diesel plants. First section of a high voltage transmission system which ultimately will cover much of the province is almost completed. Other major lines are being planned.

• • •

Alberta

"Operation Coyote": Bandits of the prairies will be contending with bullets from two government planes when "Operation Coyote" opens in Alberta in January. Active support from the province was necessitated by coyote population increasing by leaps and bounds resulting in wholesale slaughter of sheep, chickens and turkeys. All over the province mass coyote hunts have become a sort of organized sport and the government has a standing offer with responsible groups to pay 75% of the cost of a sound method to hunt the animals, providing the group is willing to meet the other 25% and handle administration of the scheme.

• • •

British Columbia

Plan "Canada's Highest Dam": Taking shape for 20 years, start on a multi-million-dollar dam on Capilano River may be possible this winter. Held in reserve for severe unemployment, project has been assigned forefront place for any money the federal government may allot for public works in 1950. Planned is a 400-foot dam, to be highest in Canada and which would regulate Capilano River to supply a maximum of 220 million gallons a day, serve 1.5 million people. Structure would be 100-feet long at the bottom, 600-feet at the top with an automatic gravity type spillway; would back up water for three and a half miles to cover 650 acres holding approximately 13 billion gallons of water.

Unlisted Mines, Oils

(By the Broker-Dealer Assoc. of Ontario)

Approximate quotations, 12 p.m., Dec. 23, subject to confirmation and change:

	Bid	Ask		Bid	Ask
Abenakis	3	5	Metalore	2½	3½
Advance	3½	4	Miles R L	3½	5
Alexander	2	4	Mindus	14½	16
Aljo	1	1½	Mink	3	5
Ama Kir	6	8	Mistassini	2	4
Anna'que	2½	2¾	Moffat H	1	2
Arctic	4½	6	Mohawk P	1½	2½
Argonaut	1	2	Morris K	1	2
Audley	1	2	Murbell	1	1½
Auterra	1	3	Murmac	7½	9
Baker	1	2	McManus	5	7
Barb L N	3	5	McCuaig	4	6
Beaulieu	1½	2½	Nat Mal	65	68
Beauriv	2	4	do new	4	6
Bi Ore	24	28	Nayb '45	1	3
Biroco	20½	21½	Newcore	9	11
Blondor	1½	3½	New Aug	14	17
Bouzan	10	12	New Mal	2½	4
Bour C	2	3	Nickel L	3	5
Bradnor	1	2	Nisto	24	27
Br Breest	1	2	N Offsets	135	175
Braminco	17	21	Norbeau	130	140
Bravo	1	2	Norbec	6	10
Bright R L	1½	2½	Norcourt	3½	4½
B McDade	5	8	Norford	1	3
Buldog	11	15	Normar	2½	3
Burley Po	1½	2½	Nortyne	1	1½
Camlaren	3½	5	Novele P	1	3
Camray	3½	4½	Obalski old	6	8
Captain	2	3	do '45	16	19
Carricona	3	4	Obaska	9	11
Cassidy	1½	2½	Opemiska	18	19
Cent M	5½	7	Okland	3	5
Cock R L	1	2	Olivet	2	3
Columbier	1½	2	Oriona	4	5
Con Chib	26	30	Pascalis	12	15
Con Cop	7	9	Pelangio	3½	4½
Courageo	1	2	Payne	3½	5
Craibbe	3½	4½	Phelps	1½	2
Croydon	1½	2½	Pinnacle	1	2
Cuyuni N	34	38	Poona Go	1	1½
Delhi	3	7	Presdor	2	3
Derlac	3	4	Privateer	13	16
De Sant	3	4	Pre Divers	10	15
Dickenson	14½	16	Quejo	6	8
do new	..	56	Quest	1½	3
Dom Mal	1	2	Rand Mal	12½	14
Dona Pat	1	1½	Rajah R L	1	3
Doris	2	3	Raymond	1½	2½
Durham	8	9	Randoon	2	3
Echo Ind	3½	6	Redruth	2½	3½
Elmac	2	3	Redwood	4	6
Erin Kirk	2½	3½	Rhyolite	1½	2½
Flicks	1	2½	Richgroup	4	6
Forty F'r	105	110	Russet	4	5
Gan Cop	3	4	Salruita	3	6
Geneva L	3	5	Santiago	13	15
Gilbec	1	1½	Sapha	3	4
Goldpac	7	12	Sheldon	10	12
Goodrock	1	2	S Dufault	3	6
Gord Lebel	1	1½	Silv Arrow	3	5
Gov Gold	2	4	Sovereign	3	..
Grnd Chib	22	25	Skynner	2	4
Greenlee	4	6	Starlight	2	4
Grndhog	13	..	Sun Bear	3	4
Halden	3	5	Thornhill	1½	2½
Habitant	1½	3	Tiffany	1½	3
Harp Mal	1	2	Tobico	2½	3½
Hornfault	14	15	Tovarich	1	2
Hayes Cad	1	2	Viking	13	15
Hugh Pam	16	18	Val d'Bel	1	2
Independ	3	4	Vinray	2½	3½
Islepines	3	5	Walcora	1	3
Joannes D	1	3	Wesley	1	2
Kamlac	15	18	West R L	1½	2½
Ken Bay	3	5	Wilwood	1	2
Kenda Pe	4	7	Y Davids	18	20
Kenroy	1	2	Yelknife	190	..
Kingdon	..	20	do vt	135	..
L Expanse	7	9	**OILS**		
Lar Add	3	5	Franco	55	60
La Salle	3	4	Granledue	15	19
Lavalie	2½	3½	Home O	13½	14
Legardo	1	2	Jupiter	15	17
Lennie	1½	3	Lingmore	3	5
Le Pine	1	3	Major Oil	4½	5
Louvore	1	1½	New Ranch	2½	3
Mallen R L	5	6	Pac Oil Re	3½	4½
Marbenor	11	13	Princess	32	34
Marquette	1½	3	Reef Pete	42	44
Mar Bird	2	4	Universal	2	3
Mary Ana	3½	4½	Vermilion	38	40
Mat Con	30	35	Westlock	6	8
Mate Yel	3	5			

Investment Savings Plan Is Set Up in Vancouver

Reflecting the emphasis currently on attracting people of moderate means into investing in stocks, an "investment savings plan," through the medium of Corporate Investors Ltd., Class "A" shares, has been set up by H. J. Bird & Co., Vancouver, B. C.

This is the only investment savings plan of its kind in Western Canada using a mutual fund as the investment medium so far as is known, Mr. Bird states. It offers salaried people and those with a regular income from their business or profession, a systematic savings plan whereby monthly sums from $5 up can be paid into a trust account with a trust company and invested periodically in dividend-paying stocks. It is somewhat similar to a $5-a-month plan started some time ago for Canadian Investment Fund share purchasers by a Montreal investment house (The Financial Post, May 14).

H. J. Bird & Co. chose as the investment medium Corporate Investors Ltd. Class "A" shares, a mutual fund comprising a selected list of Canadian common and preferred stocks and bonds. Its shares were chosen after a survey of all of the open end investment trusts in Canada.

Minimum payment under the scheme is an initial deposit of $10 and $5 a month thereafter. Payments can be made in any multiple of these amounts. A trust account is open for the investor with the Crown Trust Co. and all deposits made for each investor's account are invested in Corporate Investors Class "A" shares when sufficient funds accumulate. Dividends declared are credited to the investment savings account and the proceeds are re-invested in additional shares in proportion to the amount available. No service or interest charges are made, shares being acquired at the same price as they are offered to the public.

If an investor is unable to continue monthly payments, the balance at his credit remains on deposit with the trust company and may either be withdrawn (at current value) or monthly payments may be resumed at any time. The investor can take delivery of shares accumulated under the plan if he owns 25 shares or more.

"The investment savings plan is recommended as a long range investment program and should be continued for a minimum of one year or more to get the best results. We do not recommend this plan for short term profits or as a medium of speculation," H. J. Bird & Co. states.

Southam Co. Year a Record

The Southam Co. has been enjoying a most satisfactory year with both total business done and operating profits running at levels higher than ever before, President Phillip S. Fisher advises shareholders.

In recognition of this, directors:

(a) Declared a special bonus dividend of $150,000 which is at the rate of 20c a common share payable Jan. 20, 1950 to shareholders of record Dec. 30, 1949.

(b) Transferred $150,000 of the year's earnings as a special addition to the employees pension plan.

Because of certain technical difficulties the bonus distribution could not be paid to shareholders in 1949. In order to facilitate action in the future if a similar set of circumstances should arise, directors have decided that the regular quarterly dividend dates for the company will be changed from Feb., May, Aug., and Nov. 15 to the 28th day of March, June, Sept. and Dec., Mr. Fisher states.

3 New Abitibi Projects Are Put Into Operation

Three more new projects of Abitibi Power & Paper Co. were placed in operation this month, the company announces. They are:

(1) The first two units of a 14-unit hydro-electric generating station were put into service on Dec. 14 at the mill at Iroquois Falls, Ont.

(2) A new steam generating unit was put into service, replacing older and less efficient steam units, at the Iroquois Falls mill on Dec. 19.

(3) A new 15-bed $210,000 hospital, said the most complete and up-to-date of its kind, was opened for service on Dec. 28 in Smooth Rock Falls.

At Iroquois Falls, the new generating units each consist of a twin runner 2,500 hp. horizontal waterwheel built by S-Morgan Smith Co. of Canada and a 2,250 kva. 12,500-volt, 60-cycle, generator built by Canadian Westinghouse Co., Hamilton. Completion of the power station is scheduled for the spring of 1950.

The new generators are installed in the old grinder room, which ceased operation in August, 1949 when the new groundwood mill was started up. They will utilize water power formerly used to drive 42 hydraulic grinders.

Three more units similar to the two just started will be brought in shortly. The other nine units will make use of the old water turbines which previously operated the pocket grinders discarded in August and will be coupled to the old synchronous grinder motors which are being converted to generators.

Power from the new generator station will be tied in to the mill sub-station through a modern metalclad switch gear built in Hamilton by Canadian Westinghouse Co. Speed control of the station will be by 21,500 ft. lb. oil actuated governing units by Woodward Governor Co. of Illinois.

The new steam producing unit is designed to deliver continuously 140,000 lbs of steam per hour at 225 lbs. per sq. in. pressure and a total temperature of 500 degrees Fahrenheit from feedwater at 215 degrees Fahrenheit. It is a Riley type "R.P." boiler supplied and built in Canada by Foster-Wheeler Ltd., St. Catharines, Ont. It will consume about 168 tons of coal per day at normal output. A wide range of bituminous coal will be fired on a continuous ash discharge spreader stoker consisting of dual Riley traveling grates and six Foster-Wheeler spreader units.

The new Smooth Rock Falls hospital is the outcome of joint action by Abitibi Power & Paper Co. and the provincial and federal departments of health. Each of the latter contributed grants of $17,000 and the company the balance of the cost of about $210,000.

New Tractor Line For Cockshutt Plow

A new and bigger tractor will be added to the tractor program of Cockshutt Plow Co., C. Gordon Cockshutt, chairman of the board and president, announces.

The new tractor will be known as the "Cockshutt 40" and it started in production this month. It will be a 3-4 plow size in two types, row crop and standard. Designed for gasoline or Diesel motor, it has six forward speeds and is equipped with live power takeoff in which Cockshutt has given leadership in the tractor world, it is stated. This permits continuous operation of driven machines independently of the ground drive clutch of the tractor. The tractor is also designed for rubber tires for balance and economical operation, it is stated.

Acceptance of the "Cockshutt 30" tractor and its success in the domestic and export trade has been most gratifying, Mr. Cockshutt states. This second major step in the Cockshutt Tractor production program will meet a need for a larger machine, new in design and performance, he adds.

The new tractor has undergone extensive field tests in various parts of the continent under all possible conditions for the past several months and the performance was all that could be desired, he adds.

Grain Prices

Chicago Futures
Week to Dec. 26, 1949

Crop year from Aug. 1, 1949 High	Low		High for week	Low for week	Close Dec. 26
		Wheat—			
2.28¼	1.81	Dec. ...	2.22¼	2.20⅞	2.21¼
2.21¼	1.80	Mar. ...	2.20⅜	2.16¼	2.18⅜
2.16¼	1.79¼	May ...	2.14¼	2.10⅜	2.12¼
1.99	1.84	July ...	1.96⅜	1.91⅞	1.98⅜
1.98¼	1.95	Sept. ...	1.95¼	1.91¼	1.93¼
		Corn—			
1.36¼	1.00¼	Dec. ...	1.30¼	1.28⅞	1.30
1.33⅞	1.13¼	Mar. ...	1.32¼	1.29⅞	1.31¼
.73¼	.69⅜	May ...	.70⅜	.68	.69⅜
1.31¼	1.10	July ...	1.29⅞	1.27¼	1.29⅜
1.28⅜	1.25¼	Sept. ...	1.25⅜	1.22⅞	1.24⅞
		Oats—			
.78¼	.64¼	Dec. ...	.77¼	.73¼	.75
.76¼	.62¼	Mar. ...	.74¼	.71	.73¼
.73⅜	.59⅜	May ...	.70⅜	.68	.69⅜
.67¼	.56¼	July ...	.65	.62	.63⅞
.66⅜	.63¼	Sept. ...	.63¼	.61¼	.62
		Rye—			
1.63	1.33¼	Dec. ...	1.40¼	1.38¼	1.38¼
1.59¼	1.42	May ...	1.47¼	1.40⅞	1.43¼
1.53¼	1.39	July ...	1.47⅞	1.39⅞	1.42⅞
1.47	1.45	Sept. ...	1.41¼	1.39	1.41¼
		Soybeans—			
Dec.			2.30	2.26¼	2.26¼
Mar.			2.32¼	2.27¼	2.31¼
May			2.30¼	2.25¼	2.28¼
July			2.27¼	2.22	2.25

Chicago Cash

	For Week Dec. 26 High	Low	Prev. week High	Low
Corn—				
2 Yel.	1.34	1.32	1.34	1.32¼
Oats—				
1 H. Wh.	.79¼	.75¼	.80⅜	.79¼

Winnipeg Futures
Week to Dec. 23, 1949

Crop year from Aug. 1, 1949 High	Low		High for week	Low for week	Close Dec. 23
		Oats—			
.84⅜	.69⅜	Dec. ...	.80¼	.76⅞	.78⅜
.83¼	.69⅜	May ...	.79¼	.75¼	.78⅜
.80	.76¼	July ...	.76⅞	.73	.75⅜
		Barley—			
1.46⅜	1.10⅞	Dec. ...	1.31⅞	1.26⅜	1.28¼
1.46⅜	1.09¼	May ...	1.31¼	1.23¼	1.27¼
1.41¼	1.27¼	July ...	1.28¼	1.18¼	1.21¼
		Rye—			
1.58⅜	1.30	Dec. ...	1.52⅞	1.46	1.49⅜
1.64	1.33¼	May ...	1.58⅜	1.51¼	1.55
1.60⅜	1.42¼	July ...	1.54¼	1.47¼	1.51
		Flax—			
3.80	3.30	Dec. ...	3.80	3.79⅜	3.79⅜
3.78	2.62	May ...	3.72	3.69⅜	3.69⅜
3.79	3.63	July ...	3.79	3.70	3.70

Winnipeg Cash

	For Week Dec. 23 High	Low	Prev. Week High	Low
Oats—				
2 C. W.	.79⅜	.76⅜	.81¼	.80¼
3 C. W.	.77¼	.74⅜	.79¼	.78⅜
Barley—				
1 Feed	1.25¼	1.22¼	1.32¼	1.30¼
2 Feed	1.23¼	1.18¼	1.26⅜	1.25⅜
1 Malt	1.45⅜	1.44¼	1.54	1.50⅜
Rye—				
2 C. W.	1.50¼	1.46¼	1.56¼	1.54¼
Flax—				
1 C. W.	3.79⅜	3.79⅜	3.79⅜	3.79⅜

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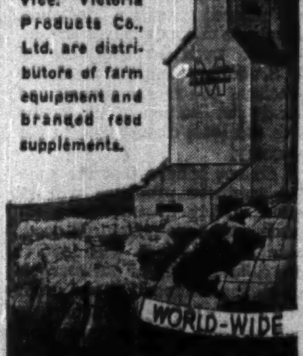

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Three Banks Report New Highs

Here Are Annual Reports of Provincial, Royal, Toronto

Annual statements of the Provincial Bank of Canada, Royal Bank of Canada, Bank of Toronto were released this week. Here are digests:

Toronto

The Bank of Toronto in its 94th annual statement, for the year ended Nov. 30, 1949, shows a new high level in total assets and public deposits, with earnings substantially above the 1948 level. Current loans and investments are both up.

After making full provision for bad and doubtful debts, but before depreciation on bank premises, net earnings were over $2.5 millions, an increase of $416,000. Depreciation on bank premises and equipment was $536,000, of which $336,000 is the full amount permitted for tax purposes and $200,000 an additional provision set up from profits after taxes have been paid. Total depreciation allowance accordingly was $357,129 more than in 1948. Provision for taxes also was $95,000 higher at $838,000. Net profit left was $35,257 lower at $1,155,563 and equal to $1.93 a share ($1.98 a share in 1948).

Dividends took $840,000, same as in the previous year. Surplus for the year carried forward to profit and loss was $315,563 ($350,820 in 1948).

INCOME ACCOUNT

Years Ended Nov. 30:	1949	1948
Net earnings	$2,329,970	$2,113,294
Less: Depreciation	*336,000	178,880
Taxes	838,390	743,594
Net profit	1,155,563	1,190,820
Less: Dividends	840,000	840,000
Surplus for year	315,563	350,820

*Includes $200,000 special depr.

Earnings per Share and Dividend Record:		
Earned	$1.93	$1.98
Paid	1.20+0.20	1.20+0.20

Total assets at $459 millions, increased by $23 millions to a new peak. Current loans, the ordinary loans to business, at $137 millions show an increase of $7.5 millions, while securities held show an increase of $11 millions. Short term Dominion Government securities maturing within two years are down $2.4 millions, while holdings of longer term issues rose $12.6 millions. Other securities in the aggregate show little change. The bank's liquid position continued strong, liquid assets at $313.6 millions being equal to 71.66% of all liabilities to the public (71.69% in the previous year).

Total deposits by the public were up $20 millions, to $406 millions, of which $279 millions was savings deposits of the public and $127.5 millions public demand deposits.

Condensed balance sheet follows:

CONDENSED STATEMENT

As at Nov. 30:	1949	1948
Cash on hand	$34,234,410	$35,434,417
Dep. with Bk. of Can.*	41,676,341	32,899,938
Dep. with other bks.	5,768,933	6,696,347
Call & short loans	7,062,402	8,494,765
Dom. & prov. secs.*	203,222,429	191,073,921
Other securities*	21,662,492	22,894,242
Total quick assets	313,649,997	297,493,639
Loans & discounts	137,242,365	129,626,210
Bank premises	5,508,399	5,053,518
Letters of credit	2,886,110	3,963,294
Other assets	102,256	238,434
Total assets	459,388,637	436,375,986
Circulation	530,706	611,166
Dom. & prov. dep.	20,571,157	18,112,207
Pub. nonint. bear. dep.	127,527,141	122,208,944
Pub. int. bear. dep.	279,084,233	264,747,441
Due to banks	6,773,655	5,057,987
Letters of credit	2,886,110	3,963,294
Other liabs.	284,432	258,545
Total liab. to pub.	437,657,434	414,959,584
Dividends	300,552	300,714
Reserve	14,000,000	14,000,000
Capital stock	6,000,000	6,000,000
Surplus	1,430,351	1,114,786
Total liabs. to shareholders	21,730,903	21,415,502
aIncl. ref. EPT	35,564	172,718

*Not exceeding market value.

Provincial

Provincial Bank of Canada's annual report for the year ended Nov. 30, 1949 shows higher earnings in 1949. Current loans and discounts also were higher, while total assets and deposits were moderately lower.

Net earnings, after appropriations to contingency reserves out of which full provision for bad and doubtful debts has been made and after appropriating $100,000 to staff pension fund, were $618,711, or almost $25,000 more than in 1948. Taxes took $150,000 ($207,077 last year), while premises writeoff was $79,000 ($62,400 in 1948), leaving net profit at $389,685, more than $65,000 above last year, and equal to 97 cents a share, (81 cents). Dividends paid totaled $280,000 same as last year. Surplus for the year of $109,685 was $65,000 higher.

INCOME ACCOUNT

Years Ended Nov. 30:	1949	1948
Net earnings	$618,711	$593,733
Less: Res. for taxes	150,000	207,077
W/o bank premises	79,026	62,457
Net profit	389,685	324,199
Less: Dividends	280,000	280,000
Surplus for year	109,685	44,199

Earnings per Share and Dividend Record:		
Earned	$0.97	$0.81
Paid	0.60+0.10	0.60+0.10

Total assets were $161.5 millions, ($167.9 millions in 1948). The decline was in investments holdings of government and other securities being $73 millions, ($87.2 millions in 1948). Loans and discounts were $7 millions higher at $49.9 millions, Call loans were little changed at $5.4 millions.

The condensed balance sheet also shows cash assets at over $29 millions ($27.5 millions), and equal to 18.8% of liabilities to the public. Quick assets at $107.7 millions represent 69.5% of all liabilities to the public, (74.44% in 1948) the change probably indicating a larger percentage of the bank's assets being employed in loans than a year ago.

Total deposits were $153 millions, ($158.4 millions). Savings deposits were $110.8 millions ($109 millions and demand deposits $33.9 millions ($42.9 millions). Condensed balance sheet follows.

CONDENSED BALANCE SHEET

As at Nov. 30:	1949	1948
Cash & deposits	$29,122,670	$27,574,869
Call loans	5,435,766	5,495,637
Govt. & other secs.†	73,140,245	87,216,110
Total quick assets	107,698,681	120,286,616
Loans & discounts	49,916,468	42,887,494
Bank premises	2,124,067	1,958,512
Letters of credit	1,501,256	2,664,032
Other assets	303,855	191,785
Total assets	161,544,327	167,968,449
Circulation	254,193	296,673
Deposits	153,074,477	158,453,846
Letters of credit	1,501,256	2,064,023
Other liabilities	212,380	181,368
Total liab. to pub.	155,042,306	161,596,113
Reserve	2,000,000	2,000,000
Capital	4,000,000	4,000,000
Surplus	502,021	392,336

†At not exceeding market value.

Royal

Royal Bank of Canada in its annual statement for the year ended Nov. 30, 1949 shows new high records in assets, deposits and current loans in Canada. After all deductions, net profits were also higher.

Net earnings, after contribution to staff pension fund and appropriations to contingency reserves out of which provision has been made for bad and doubtful debts, but before any appropriation for taxes or depreciation of premises, totaled over $10.9 millions, an increase of $1.4 millions. Taxes took $4.4 millions ($3.1 millions in 1948), while $655,721 was written off premises, $153,166 less than in the previous year. Net profit remaining, at $5.8 millions, was $268,976 more than in 1948 and equal to $1.67 a share, eight cents a share more than the year before. Dividends of $1 a share took $3.5 millions, same as in 1948, leaving a surplus for the year of $2.3 millions about $268,000 higher.

INCOME ACCOUNT

Years Ended Nov. 30:	1949 $	1948 $
Net earnings	10,918,243	9,317,433
Less: Res. for taxes	4,435,000	3,150,000
Depreciation	655,721	808,887
Net profit	5,827,522	5,358,546
Less: Dividends	3,500,000	3,500,000
Surplus for year	2,327,522	1,858,546

Earnings per Share and Dividend Record:		
Earned	$1.67	$1.59
Paid	1.00	1.00

Total assets of over $2.3 billions were $112 millions higher and a new high record. Total quick assets at $1.6 billions equalled 74.52% of total liabilities to the public (71.78% on Nov. 30, 1948,) reflecting the continued strong liquid position of the bank.

Total deposits now are almost $2.2 billions, a gain of $124 millions and more than double the 1941 figure. Savings deposits at $1,060 millions showed a gain of over $68 millions.

Important items in the balance sheet follow.

CONDENSED STATEMENT

As at Nov. 30:	1949	1948
Cash on hand	$221,564,280	$263,506,270
Dep. with Bk. of Can.	136,202,338	131,180,836
Dep. with other banks	75,146,368	80,516,860
Call & short loans	69,097,830	56,534,208
Dom. & prov. secs.	897,338,572	768,914,419
Other securities*	278,140,097	288,132,828
Total quick assets	1,677,489,485	1,536,785,521
Loans & disco'ts	584,168,936	600,923,528
Bank premises	13,601,962	11,729,958
Letters of credit	51,790,695	65,104,477
Other assets	7,934,276	7,944,302
Total assets	2,334,985,354	2,222,487,786
Circulation	3,703,730	4,320,934
Dom. & prov. deposits	97,209,518	74,321,970
Pub. nonint. bear. dep.	976,153,317	952,109,238
Pub. int. bear. dep.	1,060,132,661	991,443,412
Due to banks	58,645,143	49,614,377
Letters of credit	51,790,695	65,104,477
Other liabs.	3,558,113	4,087,931
Total liabs. to public	2,251,193,116	2,141,002,339
Dividends	931,924	952,655
Reserve	44,000,000	44,000,000
Capital	35,000,000	35,000,000
Surplus	3,860,314	1,532,792
Total liab. to share.	83,792,238	81,485,447

*At not exceeding market value.

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H. J. BIRD

has been elected a policyholders' director of Monarch Life Assurance Co. He is president, Bird Construction Co., Winnipeg.

Bank Share Double Liability Ends With Note Issue Rights

Within 30 days after Jan. 1, the double liability of shareholders of the Canadian chartered bank will disappear entirely.

Originally intended as protection for holders of the chartered banknotes circulating in Canada, it was 100% of the par value of the capital shares held. Each stockholder, accordingly, was liable for an extra 100% of their par value in event of any bank being unable to meet its note liabilities.

After the Bank of Canada took over the note issue in 1935, however, maximum circulation of the chartered banks in Canada was reduced steadily and the double liability of shareholders fell accordingly, until, by Jan. 1, 1945, maximum circulation was limited to 25% of paid up capital and the double liability feature reduced in proportion.

Under the Bank Act of 1944, each bank is required to pay to the Bank of Canada, before Jan. 31, 1950, an amount equal to its outstanding note circulation in Canada, and from then on, the Bank of Canada is responsible for their redemption, and the shareholders' double liability ends.

Chartered bank notes issued in £1 or $5 denominations or for any multiple of such sums for circulation outside Canada are not affected.

The total amount of chartered bank notes outstanding on Oct. 31 was a little over $14.1 millions. Of this probably $800,000 has been issued outside Canada, mainly in Jamaica and the British West Indies, it is understood.

Of the remaining $13.3 millions still outstanding, nobody knows just how much exists now.

Only three of the 10 banks issue notes outside Canada, it is understood.

IN MONTREAL

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ON DOMINION SQUARE
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LABOR ROUNDUP

By RONALD WILLIAMS

Labor Getting Set For Fifth Round; What Will Union Target Be in 1950?

What's the outlook on the labor front for 1950? Based on public and private statements by union leaders and talks with management, here's the way things seem to be shaping up:

—Because of growing unemployment, workers will probably work harder to make sure they aren't among those laid off.

—In some industries, there will be real pressure for a fifth round of wage raises, but it will be the most modest of all, around 5c. There may even be some pay cuts.

—From a union standpoint, the main attack will be on pensions and social security, but this could be a feint in some cases to cover up a wage drive.

—Employment will remain high, despite deepening pockets of unemployment.

—Pressure will increase for the 40-hour week.

—With the Communists running for cover, unions will have more time to concentrate on their own economic demands on management; also on political activity.

—There may be more strikes. Most will be over social security.

• • •

What Labor Wants

Pensions and social security are going to be CIO labor's big bargaining issue. Some unions will go after them because they really want them; others merely to trade them off for a wage raise or a shorter week without any reduction in take-home pay.

The goal is $100 a month at 65. Labor doesn't care who pays the shot—employers, the government or both—just so long as they get it (The Financial Post, Dec. 24). A decision in the first major pension dispute in Canada—between Ford and the CIO Auto Workers—is due any day. Next on the union's list are General Motors and Chrysler (June-Sept.).

But before that, the issue will have to be settled in pattern-setting steel. Contracts in basic steel come open in February and run out in April. C.I.O. Steel workers have announced they want $100 pensions, a wage increase and a shorter work week. They asked for the same things last year, settled for the 45-hour week (equivalent of 10c hourly raise).

There is a better than even chance they might again pass up without a cut in take-home pay pensions (Stelco and Dosco both have pension schemes) and settle for the 40-hour week (now 45) with no cut in pay. This would give them something like a 10c raise in hourly rates. If this happens, it could have an important bearing on all management-labor relations because of steel's pattern-setting character.

• • •

Political Angle

Equally important but overlooked is the political aspect. Many Socialist unionists with a political eye cocked to the future, think pensions and social security is the hottest political angle to come up in a long time. It could easily develop into the major plank in political platform of unions which support the CCF.

The pro-CCF Steel union has already started to fashion it into a political weapon. It is now endeavoring to get employers to join with it to force Ottawa to abolish the means test. Astute union leaders know resistance to "security" is virtually political suicide.

Wage increases will be sought by some unions, but this fifth round will be the most modest of all. Here's the record since 1945:

Cost of Living			Av. Hourly Earn.	
Up 3.3%	(123.6)	ROUND 1	Up 5.3%	(71.4c)
Up 15%	(142.2)	ROUND 2	Up 16%	(83.4c)
Up 12.2%	(159.6)	ROUND 3	Up 13.4%	(94.6c)
Up 1.3%	(161.7)	ROUND 4	Up 4%	(98.5c)
? ? ?		ROUND 5	? ?	— — —

In some cases, the social insurance drive could be a feint to cover up fifth round wage demands. Some unions are talking in terms of 10c, either as a straight wage hike, in the form of pensions or in a shorter work week with no pay cut. Some will demand pay rises and pensions and horsetrade by dropping one to get a better deal on the other. CIO Auto Workers have dropped wage demands on Ford.

• • •

Shorter Work Week

The 40-hour week is a definite target regardless of what happens on pensions. As industry begins to slow down and layoffs occur, unions will strive to spread all available work as far as possible. Besides providing maximum number of jobs, the shorter work week has another important aspect: it will keep the union itself strong, numerically and financially; unemployed, if they remain union members, have to be carried at the union's expense.

Strikes may be more frequent than in any year since 1946. Union leaders consider social insurance a "principle." They say most major strikes have been over principles rather than wages (General Motors in 1937; Ford, 1945-46; Steel, 1946). The political importance of social security might also make it strategic to call a strike.

Employment is expected to remain high. During 1949, it hit a record 5.25 millions. But existing pockets of unemployment will probably deepen and spread to other sections.

Union squabbling, whether over Communists or other matters, will be less prevalent. On the policy-making level the Communist issue has been settled in the TLC and CCL. Now the fight has been transferred to individual unions. It will be fiercest in electrical and mining industries. However, unions will not be so preoccupied with fighting Communism as they have been. Much of this energy will be turned against employers.

Overall, there seems to be a feeling that 1950 will see unions fighting their last tough postwar battle as they try to nail down maximum gains while business continues at its high levels.

Distinctive FINE TAILORING for GENTLEMEN
Lloyd Bros.
69 WEST KING ST. TORONTO

THE ROYAL BANK OF CANADA

General Statement

30th November, 1949

ASSETS

Notes of and deposits with Bank of Canada	$ 186,494,747.76
Other cash and bank balances	158,198,042.87
Notes of and cheques on other banks	88,220,196.05
Government and other public securities, not exceeding market value	1,058,661,626.62
Other bonds and stocks, not exceeding market value	116,817,041.92
Call and short loans, fully secured	69,097,830.05
Total quick assets	$1,677,489,485.27
Other loans and discounts, after full provision for bad and doubtful debts	584,168,935.78
Bank premises	13,601,961.99
Liabilities of customers under acceptances and letters of credit	51,790,695.28
Other assets	7,934,275.82
	$2,334,985,354.14

LIABILITIES

Notes in circulation	$ 3,703,729.56
Deposits	2,192,140,578.62
Acceptances and letters of credit outstanding	51,790,695.28
Other liabilities	3,558,112.20
Total liabilities to the public	$2,251,193,115.66
Capital	35,000,000.00
Reserve Fund	44,000,000.00
Dividends payable	931,924.55
Balance of Profit and Loss Account	3,860,313.93
	$2,334,985,354.14

PROFIT AND LOSS ACCOUNT

Profits for the year ended 30th November, 1949, before Dominion and provincial government taxes, but after contribution to Staff Pension Fund, and after appropriations to Contingency Reserves, out of which Reserves provision for all bad and doubtful debts has been made		$10,918,243.18
Less provision for Dominion and provincial government taxes	$4,435,000.00	
Less provision for depreciation of bank premises	655,721.31	5,090,721.31
		$ 5,827,521.87
Dividends at the rate of $1.00 per share		3,500,000.00
Amount carried forward		$ 2,327,521.87
Balance of Profit and Loss Account, 30th November 1948		1,532,792.06
Balance of Profit and Loss Account, 30th November, 1949		$ 3,860,313.93

JAMES MUIR, President
T. H. ATKINSON, General Manager

THE PROVINCIAL BANK OF CANADA

HON. ES. L. PATENAUDE, P.C., K.C.
president
HON. SEN. E. BEAUREGARD, K.C.
HON. J. A. BRILLANT, M.L.C., C.B.E.
vice-presidents
J. U. BOYER
general manager
C. F. CARSLEY, M.B.E.
C. G. DeTONNANCOUR
HERVÉ DUVAL
HON. R. O. GROTHÉ, M.L.C.
J. E. LABELLE, K.C., O.B.E.
ALFRED MAROIS, Jr.
DR. R. H. PARENT
C. E. PRÉFONTAINE
J. ULYSSE STE-MARIE
Directors

Founded in 1900, the Provincial Bank of Canada covers four Canadian Provinces with 338 offices, namely, Quebec, Ontario, New Brunswick and Prince Edward Island.

ANNUAL STATEMENT AS AT 30th NOVEMBER 1949

ASSETS

Cash on hand and due from other Banks	$ 29,122,670.36
Government and other public securities (not exceeding market value)	73,140,244.65
Call loans	5,435,766.04
Deposit with the Minister of Finance	14,792.90
	$107,713,473.95
Loans and discounts in Canada	49,916,467.90
Acceptances and letters of credit (see contra)	1,501,256.53
Bank premises	2,124,066.92
Other assets	289,061.81
	$161,544,327.11

LIABILITIES

Deposits	$153,074,477.24
Notes of the Bank in circulation	254,193.00
Acceptances and letters of credit (see contra)	1,501,256.53
Other liabilities to the public	212,379.68
Total liabilities to the public	$155,042,306.45
Capital, reserve and surplus	6,502,020.66
	$161,544,327.11

PROFIT AND LOSS ACCOUNT

Profits for the year ended November 30th, 1949 after appropriations to contingency reserves, out of which full provision for bad and doubtful debts has been made			$ 718,711.12
Less:			
Provision for Dominion Government taxes	$150,000.00		
Depreciation of Bank premises	79,026.14		
Provision for Staff Provident Fund	100,000.00	$329,026.14	
Quarterly dividends 6% per annum	240,000.00		
Provision for a special dividend of 1% for the current fiscal year	40,000.00	$280,000.00	
			$ 609,026.14
Amount carried forward			$ 109,684.98
Balance of Profit and Loss Account 30th November 1948			392,335.68
Balance of Profit and Loss Account 30th November 1949			$ 502,020.66

FOR THE BOARD OF DIRECTORS
Es. L. PATENAUDE, *President*
J. U. BOYER, *General Manager*

C. R. CHARBONNEAU, *Chief Accountant*

THE WEEK'S QUOTATIONS

Montreal and Toronto Winnipeg, Calgary and Vancouver

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING DECEMBER 23

Range 1949 High	Low	Div Rate $	Dec 23 Yield %	Company	Sales	Last Dec. 16	Week end. Dec. 23 H	L	Close
23¼	9½	a1.00+†.90		Abitibi	6244	21½	21½	20½	21½
23½	16	1.50	6.7	Do. $1.50 pf.	4314	22½	22½	21½	22½
25	19½	1.00+a1.15		Acadia At. A	1073	24½	24½	24	24
104	98½	5.00	4.8	Do. 5% pref.	35	103	103½	103	103½
9½	7½	.60	6.7	Agnew Surp.	100	8½	9	9	9
14½	12½			Algoma Steel	6895	14½	14½	13½	14
27	25	1.00	3.8	Alum. of Can. P	2085	26½	26½	26½	26½
61½	40½	a2.00		Aluminium N	1975	57½	57½	55½	56
7½	4½	a.40		Andian Nat.	20	5	5½	5½	5½
18	14	a1.00		Ang. Nfld.	875	15½	15½	14½	15½
7½	5½	.60	8.6	Argus	1600	7½	7½	7	7
78	61	4.50	5.9	Do. 4½% pf.	140	77	76	75	76
.25	.06			Do. Warr.	10	.10	.06	.06	.06
26½	20	1.20+a.40		Asbestos	1380	[illegible]	26	24½	25½

Range 1949 High	Low	Div Rate $	Dec 23 Yield %	Company	Sales	Last Dec. 16	Week end. Dec. 23 H	L	Close
13	8			Gt. W Saddlery	165	9½	9½	9½	9½
19½	14	1.40	7.5	Gypsum, Lime	2923	18½	18½	18½	18½
13	8	a.10		Halifax Insur.	75	12	12	11½	12
12½	7	.50+a.25		Ham. Bridge	2590	12½	12½	11½	12
14½	12½	.90	6.8	Ham. Cot.	175	13½	13½	13½	13½
12	9	.80+a.10		Harding Carpet	750	9½	9½	9½	9½
33	20	a1.00		Hayes Steel	60	28	28½	28	28½
19½	16	1.00	6.3	Hinde & Dauch	220	16½	16	16	16
9½	7	.60	6.9	Holden Mfg. A	115	7½	9	8½	8½
8	7	.50	6.7	Horner, F W p	50	7½	7½	7½	7½
37½	27	2.00	5.5	H. Smith Pap.	230	36	36½	36½	36½
49½	42	2.00	4.0	Do. pref.	210	49	49½	49½	49½
26	18	a1.50		Humberstone, S	25	26	25	25	25

*On arrears. ▲N. Y. funds. ▲▲Participating div. *Net after income taxes. ‡Dividend deferred. ▲After stock split. aPaid or payable in 1949. †Plus extras. ‡Plus payments on arrears. †Payable in 1950. §Paid in 1948.

Mining Stocks

Week Ended December 23

Range 1949 High	Low	Div. Rate $	Dec. 23 Yield %	Company	Sales	Last Dec. 16	Week Ending Dec. 23 High	Low	Close
.85	.58			Akaitcho	5,600	.65	.70	.66	.67
.27	.12			Amal. Lard.	12,700	.17½	.17	.15½	.15½
.85	.25			Amer. Neph.	2,000	.62	.63	.60	.62
.20	.04½			Amer. Y.K.	10,000	.08	.08½	.08	.08
.98	.16			Anacon L'd	103,900	.44	.48	.42	.42
10.75	8.65	†.15		Anglo-Hur.	1,200	9.50	9.60	9.50	9.60
.70	.22½			Anglo-Rou	5,500	.27	.25	.23½	.24
.23	.10			Area	6,000	.18	.18½	.18	.18
.30	.08			Arjon	6,200	.20½	.24	.19½	.19½

Oil Stocks

Range 1949 High	Low	Div. Rate $	Dec. 23 Yield %	Company	Sales	Last Dec. 16	Week Ending Dec. 23 High	Low	Close
.31	.05			N. Cont.	13,500	.05	.06	.05½	.06
.21	.08			N. Exten.	9,000	.12	.12	.12	.12
2.60	1.11	‡‡.10		Okalta	38,450	1.70	1.85	1.65	1.85
4.45	2.00	.10	2.3	Pac. Pet.	57,705	4.10	4.45	4.10	4.45
.25	.09			Pan West	5,500	.19	.18½	.17	.17½
.05½	.03½			Phillips P.	10,500	.04½	.05	.04½	.04½
.42	.17½			Princess P.	26,700	.35	.35	.34	.34
.04½	.01			Richfield	1,000	.02½	.02½	.02½	.02½
.53	.23			Roxana	37,900	.48½	.53	.47	.51
.06½	.03			Royal Crest	1,500	.06	.04	.04	.04
9.80	5.85	▼.25½		Royalite	35,736	9.35	9.80	9.25	9.80
.15	.05½			Share Oils	4,500	.06½	.06½	.06	.06½
.23	.10	▼.01		So. Brazeau	10,500	.10	.11	.10	.11
.45	.20			So. West Pete	600	.25	.35	.30	.30
.38	.15			Spooner	20	.18	.17	.17	.17
.20	.12	§.01½		Sunset	12,900	.17	.17	.15	.16½
.53	.29			Superior	70,250	.40	.45	.41	.45
.51	.29			Tower Pet.	9,200	.39	.40	.38	.40
.35	.08			Turner V.	10	.15½	.10	.10	.10
.21	.08			United Oils	91,110	.16½	.19½	.16	.19½
.30	.18			Vanalta	1,300	.22	.22	.21	.21
.30	.15			Vulcan	1,020	.20	.18	.18	.18

*N. Y. funds. x Extra. ▼Paid or payable in 1949. §Paid in 1948. ‡Capital Distribution. †Payable in 1950.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
Dec. 26	......	......	......	.....	......
Dec. 24	......	......	......	.....	......
Dec. 23	131,700	533,000	70,170	.....	1,790,000
Dec. 22	271,900	931,000	123,005	99,825	1,950,000
Dec. 21	165,000	675,000	111,217	46,889	1,540,000
Dec. 20	152,200	760,000	58,934	56,722	1,600,000

BUSINESS BAROMETER

	DEC.	NOV.	OCT.	SEPT.	Year Ago
GOVERNMENT FINANCE (millions of $)					
Dom. total expend.	....	....	175.6	139.4	151.2
Dom. total rev.	....	....	201.7	174.6	215.5
MERCHANDISING					
▪Dept. store sales (3)	+5	+7	+1	+8	....
Country store sales (3)	....	....	....	—2.8	....
Retail store sales (3)	....	....	+2.2	+7.2	....
▪Wholesale sales index (1)	....	....	314.5	323.2	319.3
FINANCE					
Dividend payment index (1) (5)	217.8	215.4	215.3	211.2	211.8
Money supply (millions $)	....	....	4,377	4,369	4,208
NEWSPRINT CAPACITY					
▪Production ratio (7)	....	101.2	100.9	100.4	105.2
RAILWAY FREIGHT LOADINGS					
▪Tons (D.B.S.) (1)	....	157.1	149.9	164.7	165.6
▪Cars (D.B.S.) (1)	....	151.2	140.3	144.5	158.9
COST OF LIVING					
D.B.S. (1)	....	161.7	162.2	162.3	159.6
EMPLOYMENT INDEX					
All industries (6)	....	....	202.0	202.1	203.3
Payrolls (June 1/41=100) (2)	....	....	223.1	221.4	214.7
MANUFACTURING					
▪Inventories (1947=100)	....	....	126.7	127.5	127.1
Employment (6)	....	....	208.5	209.2	210.0

	1949	1948	1949 Jan. 1 to date	1948	% Change
RAILWAYS—(000's omitted)					
▪Carloadings (week Dec. 17)	72.1	73.2	3,792.4	3,926.3	—3.4
▪C.N.R. gross rev. (Nov.)	44,560	44,812	455,453	446,230	+2.1
▪C.N.R. net rev. (Nov.)	5,493	6,867	16,945	20,327	—6.4
C.P.R. gross rev. (Oct.)	33,252	34,453	300,968	290,040	+3.8
C.P.R. net rev. (Oct.)	4,500	5,672	13,003	11,486	+13.2
IRON AND STEEL PRODUCTION (000's omitted) (Oct.)					
Pig iron production (tons)	166	186	1,825	1,780	+2.5
Steel production (tons)	259	283	2,663	2,643	+0.8
CONSTRUCTION (000's omitted)					
Contracts awarded (Oct.)	80,307	70,821	901,387	815,058	+10.6
▪Cement prod., bbls. (Oct.)	1,493	1,400	13,446	11,698	+14.9
AGRICULTURE (000's omitted)					
Flour prod., bbls. (Oct.)	1,859	1,951	16,338	18,698	—12.6
▪Flour exp., bbls. (Nov.)	822	1,109	8,945	11,350	—12.4
▪Wheat exp., bush. (Nov.)	23,799	15,803	192,977	122,061	+58.1
Cattle sales (Nov.) (4)	209.0	245.3	1,665.9	1,748.8	—4.7
Hog sales (Nov.)	514.2	397.9	3,804.5	4,322.7	—12.0
SEA FISHERIES (000,000's omitted)					
Catch, lb. (Oct.)	124.1	114.2	989.8	1,045.5	—5.3
Landed value (Oct.)	4.1	6.2	47.4	53.5	—11.4
NEWSPRINT (000's omitted)					
▪Production (Nov.) (7)	437	432	4,761	4,563	+4.4
▪Exports, tons (Nov.) (7)	461	441	4,730	4,525	+4.5
MINING AND OILS (000 omitted)					
Coal prod. (tons) (Nov.)	2,056	1,893	17,091	16,610	+2.9
Gold prod. (fine oz.) (Sept.)	364	295	3,012	2,584	+16.6
Petroleum prod. (bbl.) (Aug.)	1,971	1,245	13,559	7,549	+79.6
ELECTRICAL POWER OUTPUT (000,000 omitted) (Oct.)					
Total monthly kwh.	3,976	3,774	38,719	37,240	+4.0
FOREIGN TRADE (millions of $)					
Imports (Oct.)	224.3	243.4	2,308.2	2,166.8	+6.5
Exports (Oct.)	269.1	307.0	2,415.1	2,463.1	—2.0
FINANCE (millions of $)					
Bank debits (Oct.)	8,328	7,654	70,618	64,865	+8.8
Bond sales (Nov.)	259.4	256.3	4,151.7	4,629.0	—10.3
Life insurance sales (Oct.)	108.5	100.9	1,025.6	974.1	+5.3
OTHER INDUSTRIAL FACTORS					
▪Shoe prod. (Oct.) (000)	3,124	2,905	30,669	26,614	+15.2
Cigarette cons. (000,000) (Nov.)	1,539	1,479	20,872	19,328	+7.9

(1) Base period 1935-39=100. (2) All industries. (3) % change from year ago, latest week or monthly average. (4) Total at yards and plants. (5) Nesbitt Thomson, etc. (6) Base period 1926=100. (7) Includes Newfoundland. ▪New item for week.

Significant Investors' Index Numbers

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's
No. of Securities	10	10	4	5	10	15	10	16	12	8	16	106
*1935 to date:												
High	247.7	287.9	149.7	123.7	221.9	138.5	447.0	168.5	146.2	136.3	149.6	126.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	66.7	60.2	60.0	65.2	61.1
1949: Monthly Figures:												
Jan.	234.1	257.1	96.4	75.9	214.3	115.2	294.5	143.0	108.2	132.6	119.2	114.3
Feb.	224.1	244.1	89.8	68.7	203.1	113.6	281.5	139.7	105.7	131.0	115.1	108.1
Mar.	217.5	236.7	85.9	69.5	205.9	112.0	276.1	137.4	106.4	131.0	113.7	106.4
Apr.	211.9	234.2	88.4	70.8	205.7	111.9	274.4	139.6	109.7	132.4	115.7	106.4
May	208.4	227.4	84.2	70.2	204.2	112.8	275.7	136.3	107.4	132.4	113.5	105.3
June	184.7	210.8	85.5	63.8	196.0	111.6	273.3	131.4	104.1	131.0	109.2	99.6
July	198.8	221.4	89.6	66.6	202.2	112.9	292.4	137.0	108.4	130.7	114.3	104.2
Aug.	209.5	230.6	90.2	68.8	204.6	114.6	306.7	140.0	111.2	133.3	119.5	108.2
Sept.	213.1	240.1	93.0	68.9	204.8	116.0	312.5	143.0	112.8	135.2	122.7	109.6
Oct.	221.4	259.0	95.8	75.4	206.4	122.0	329.6	151.4	111.7	139.8	121.9	114.3
1949: Weekly Figures:												
Nov. 3	228.9	269.9	95.7	78.3	210.8	121.3	334.6	157.6	114.0	141.8	121.4	116.3
Nov. 10	228.3	272.2	96.4	83.8	215.6	123.1	333.0	159.5	111.7	141.6	121.9	118.3
Nov. 17	231.9	276.0	88.5	85.0	227.6	125.0	333.2	158.6	112.0	142.2	122.0	119.3
Nov. 24	234.8	279.1	86.4	83.2	225.6	124.4	345.2	158.7	111.0	143.2	121.2	118.8
Dec. 1	230.4	276.5	87.5	81.9	229.8	123.1	340.2	158.6	110.2	140.6	120.7	117.4
Dec. 8	233.5	281.9	85.9	81.7	231.0	120.9	349.5	160.1	112.5	140.8	123.1	118.4
Dec. 15	235.7	287.4	87.4	80.3	229.2	120.2	349.2	162.8	111.9	141.2	122.2	117.8

*High and low for year from 1935 to date inclusive are based on weekly figures issued by the Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Dec. 26	.....	.....	.....	.....
Dec. 24	.....	.....	.....	.....
Dec. 23	203.92	102.92	111.52	63.47
Dec. 22	203.60	102.43	110.61	62.91
Dec. 21	201.82	101.86	110.36	61.37
Dec. 20	201.65	101.02	110.68	61.01
Month ago	199.79	104.43	110.94	59.86
Year ago	180.57	92.27	105.86	55.77
1949 High	203.92	114.63	114.53	63.47
1949 Low	157.28	87.96	77.42	38.78

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Com.	10 Pprs.	15 Golds
Dec. 26	....	....	....	....	....
Dec. 24	....	....	....	....	....
Dec. 23	74.4	139.7	117.9	364.64	65.05
Dec. 22	74.4	139.5	117.8	362.79	65.05
Dec. 21	74.3	138.4	117.0	359.07	64.67
Dec. 20	75.0	138.7	117.5	358.34	64.50
Month ago	75.2	135.9	115.7	359.94	68.64
Year ago	73.3	130.4	111.4	332.71	63.55
1949 High	75.9	139.7	118.2	366.78	74.40
1949 Low	70.0	109.3	96.3	251.34	60.17

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks
Dec. 26	.....	.....	.....	.....
Dec. 24	.....	.....	.....	.....
Dec. 23	198.88	51.53	41.02	71.05
Dec. 22	198.52	51.55	40.96	70.96
Dec. 21	196.45	50.86	40.62	70.20
Dec. 20	197.22	50.98	40.70	70.43
Month ago	192.24	47.87	39.32	67.96
Year ago	177.40	53.18	33.20	64.43
1949 High	198.88	54.29	41.02	71.05
1949 Low	161.60	41.03	33.36	57.75

Stocks Not Traded This Week (Continued)

	Div. Rate $	Last sale	Dec. 23 Bid	Ask
Mexican Lt. pref.	..	5	..	..
Mitchell, J. S.	4.00+a.25	100	100	..
Mod. Contain.	a1.00	13½	13½	14½
Mod. Tool	..	4	3½	4
Monarch Knit.	1.00	10	9½	10
Mon. Life 40% pd.	..	136	132	..
Monarch Mtge.	a1.00	9½	9½	11
West Koot. pref.	7.00	172	170	..
W'minster Pap. A	.50	8.75	8.50	9.00
Willson Stat.	..	11	9½	..
Do. pref.	5.00	99½	97	..
Wilsils	1.00	18½	18½	19½
Wood, A. & J. P.	7.00	115	115	120
Wool. Combing	1.60	15½	15	15½

Mining Stocks

[illegible]

STOCKS NOT TRADED THIS WEEK

	Div. Rate $	Last sale	Dec. 23 Bid	Ask
Inter'c. Coal	†1.00	30	26	..
Do. pref.	8.00	115	111	..
Int. Mill. pref.	a4.00	99	99½	105
Int. Nickel $5 pf.	..	71	..	..
Int. Paints pref.	1.20	22½	22	..
Int. Pap. pref.	▲4.00	113	112	113½
Invest. Found. pf.	6.00	56½	..	..
Jam. Pub. Ser. pf.	7.00	103	..	103
Journal Pub. Ot.	.80	13½	..	15½

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

[illegible]

Unlisted Stocks

(Compiled from quotations supplied by Intercity Securities Ltd., Toronto, and Kippen & Co., Montreal)

[illegible]

RECORD OF FINANCING

Sales by Municipalities, Provincial and Dominion Government, Offerings of Corporation and Foreign Securities

[illegible]

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

[illegible]

N. S. Steel Coal	3½	'63	99	102½	99
Penman's	3½	'66	100	103	100½
Price Bros.	3½	'66	101	103½	101
Silv. Dairies	4	'60-64	99	102	99
Do.	4	'71	89	92	89
Simpsons Ltd.	3½	'60	101½	104	101½
Stl. Co. of Can.	2½	'67	96	98	96
Tor. Elevators	3½	'66	98½	...	98½
United Corp.	4	'58	100½	...	100
United Steel	4	'60	99	...	99
Un. Grain Gr.	4	'63	100	...	100
†Western Grain	5	'63	83½	86½	83½
York Knit. Mills	3½	'71	90	94	90

*Payable in Canada or United States.
▲Payable in Canada or U. K.
†Payable in Canada, U. S. or U. K.

Municipal Bonds

Dec. 27, 1949

	Coup. %	Matur.	Bid $	Ask $	Yld. %
Victoria	3¾	'55-66	98½	100¼	3.73
Vancouver	3¾	'69	99	101	[illegible].68
Calgary	3½	'69	99	101	[illegible].43
Edmonton	3½	'69	99	101	3.43
Regina	3	'64	90½	92½	3.65
Moose Jaw	3-3½	'60	94	97	3.50
Winnipeg	3	'69	97½	99½	3.04
Ottawa	3¼	'68	103	105	2.89
Toronto	3	'63	99	101	2.92
Hamilton	3	'67	98½	100½	2.96
Windsor	2½	'75	72	75	4.05
Windsor	2¾	'75	76	79	4.05
Windsor	3½	'75	88	91	4.05
Montreal	3	'70	93	96	3.27
Quebec	3½	'64	99	100	3.50
Halifax	3	'66	95	98	3.13
Saint John	3½	'65	99	102	3.34

Supplementary Bond Quotations

Furnished by Investment Dealers' Association

Month-end Closing Prices

Dec. 28, 1949

[illegible]

	Bid	Ask
Clarendon Apts. 7%, 1946	69	..
Clarendon Properties 7%, 1947	68	..
Deer Pk. Manor 4%, '59 & com.	89	..
Dom. Square 4%, 1959	101½	104
Ellis Park 4½%, 1960 & com.	92	..
400 Ave. Rd. 4½%, '57 & pfd.	92	..
Gleneagles Inv. 5%, '59 & com.	111	..
Lomb. Rlty. 2½%, '51 & com.	59	66
Lord Nelson Hotel 4%, 1947	86	..
Metropolitan Bldg. 4½%, 1952	103	..
Montreal Apts. 1st 4½%, 1964	97	..
Do. 2nd 4½%, 1954	92	..
Municipal Bankers 4-5%, 1948	26	..
Oshawa Bldg. 4%, 1953 & pfd.	83	..
Ramsden Park Apts. 5%, 1961 & com.	67	..
St. Clair 200 W. 4½%, '58 & pf.	91	..
Sherbrooke St. Realty 4%, 1952	98	..
Stanley Realty 3%, 1962	32	..
York Adelaide 7%, 1945	75	..

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$21.75	$20.95	$21.10
Hogs	28.85	28.60	30.60
Copper, lb.	.18½	.18½	.23½
Sugar, raw, lb.	.0525	.0520	.0510
Coffee, lb.	.48¾	.48½	.27¼
Hides	.24	.25	.25½
Weekly Indices			
U. S. Labor	151.0	151.1	162.6
Dow Jones	136.48	136.86	144.02
Fisher's	160.3	160.4	169.8
Monthly Indices			
Retail (Nov.)†	161.7	162.2	159.6
W'sale (Oct.)	157.1	155.4	159.3
U. S. (Aug.)	153.0	153.6	169.4
Gt. Brit. (Sept.)	229.7	228.6	219.3

Note: The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base price of quotations is as follows: Cattle — Steers, good, up to 1,000 lb., top price, Toronto. Copper-electrolytic, New York. Coffee, No. 4 Santos. Rio Sugar 96 degrees centrifugal c/f New York.

Company Meetings

1949	Company	Place
Dec. 30	Beatty Bros.	Fergus, Ont.
Dec. 30	Gen. Products	London, Ont.
1950		
Jan. 9	Anglo-Huronian	Toronto
Jan. 10	Bk. Candn. Nat.	Montreal
Jan. 11	Mex. Elec. Lt. & Pr.	Toronto
Jan. 11	Sawyer Massey	Hamilton
Jan. 12	Laura Secord	Montreal
Jan. 12	Royal Bank	Montreal
Jan. 17	B. C. Forest	Vancouver
Jan. 18	Bk. of Toronto	Toronto
Jan. 18	Kelvinator	London, Ont.
Jan. 20	O'Brien G. M.	Montreal
Feb. 6	Stelco	Hamilton

Bond Redemptions

Bond issues:	Rate	Year	Call	Price
▲Algoma Cent. Term. 1st mtge. D.S. & bds.	5%	1959	Dec. 31	125
▲Candn. Nat. Rly.	5%	1970	Feb. 1	105
▲Cons. Pap. Corp. 1st mtge. bds.	3½%	1967	Jan. 3	101½

▲778,300. ▲AA o/s.

Investment Trust

	Bid	Ask
Affiliated Funds	4.16	4.51
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	4.90	5.35
Can. Invest. Corp.	8.00	8.75
Corporate Invest.	8.68	9.38
Commonwealth Int.	3.58	3.93
Trans-Canada	14.30	....
Do. B	....	15.15

TOWN OF HUNTINGDON, Que., new issue of $88,000 2¾% and 3% debentures due Nov. 2, 1950 to 1954, were sold by tender to Wood Gundy & Co. at a price of $97.794 to yield 3.18%. Proceeds for waterworks, sewers, sidewalks and consolidation of debt.

Dividends Declared

	This payment $	Date payable	Date of record
Abitibi Pwr. & Pap.	.50	Jan. 1	Dec. 1
Do. $1.50 pf.	.37½	Jan. 1	Dec. 1
Acadia Atlant. A	.25	Jan. 2	Dec. 12
Aluminum pfd.	.25	Mar. 1	Feb. 1
Am. Cyanamid.	†.50+.62½	Jan. 3	Dec. 1
Do. pfd.	†.87½	Jan. 3	Dec. 1
Anglo-Hur.	.15	Jan. 25	Jan. 3
Argus Corp.	.15	Mar. 1	Jan. 31
Do. pfd.	1.12½	Mar. 1	Jan. 31
J. H. Ashdown Hdwre. A	.15	Jan. 1	Dec. 10
Do. B	.60	Jan. 1	Dec. 10
Atlantic W'salers A & B	.10	Jan. 3	Dec. 16
Auto Fab. A	.15	Jan. 2	Dec. 15
Do. B	.10	Jan. 2	Dec. 15
Avalon Tel.	1.75	Dec. 31	Dec. 15
Do. 5% pfd.	.62½	Dec. 31	Dec. 15
Do. 6% pfd.	.75	Dec. 31	Dec. 15
Do. 7% pfd.	.87½	Dec. 31	Dec. 15
R. M. Ballantyne pf.	1.25	Jan. 3	Dec. 17
Bk. of Montreal	‡.20	Jan. 3	Nov. 30
Bank of N. Scotia	‡.30	Jan. 3	Nov. 30
Do.	.35	Feb. 1	Dec. 31
Bk. of Toronto	‡.20	Jan. 3	Nov. 15
Barber Ellis pfd.	1.75	Jan. 16	Dec. 31
Bathurst Pwr. A	.50+.50	Mar. 1	Feb. 1
Do. B	.50	Mar. 1	Feb. 1
Beatty Bros.	.25	Jan. 3	Dec. 15
Beaver Lumber	.50+.50	Feb. 1	Jan. 10
Do. A	.25	Jan. 3	Dec. 10
Do. A	.25	Apr. 1	Mar. 10
Do. pfd.	.35	Jan. 3	Dec. 10
Do. pfd.	.35	Apr. 1	Mar. 10
Beld.-Cort.	1.50+1.00	Jan. 3	Nov. 30
Do. pfd.	1.75	Jan. 3	Nov. 20
Belgium Glove	.15	Jan. 2	Dec. 15
Do. pfd.	.25	Jan. 2	Dec. 15
Bell Telephone	.50	Jan. 16	Dec. 15
Biltmore Hats	.10	Jan. 14	Dec. 31
Do. A	.25	Jan. 14	Dec. 31
Bralorne	.10	Jan. 14	Dec. 22
Brantford Cord.	.12½	Jan. 15	Dec. 20
Do. pfd.	.32½	Jan. 15	Dec. 20
Brazilian Tr. pfd.	1.50	Jan. 3	Dec. 15
Brant. Roofing	.50+.25	Feb. 1	Jan. 15
Brewers & Dist.	.50	Mar. 1	Jan. 31
Do.	.25	Jun. 1	Apr. 29
Do.	.25	Sep. 1	Jul. 31
B. C. Forest	.15	Feb. 1	Jan. 3
		Coup. 5	
B. A. Oil	.25	Jan. 3	Dec. 6
Do. pfd.	0.234375	Jan. 3	Dec. 6
B. C. Elec. 4% pfd.	1.00	Jan. 3	Dec. 15
		Coup. 10-xc-Dec. 30	
Do. 4½% pfd.	1.18	Jan. 3	Dec. 15
		Coup. 5-xc-Dec. 30	
B. C. Pwr. A	.40	Jan. 16	Dec. 31
B. C. Tele. 4½% pfd.	1.18½	Jan. 15	Dec. 30
Do. 6% 1st pf.	1.50	Jan. 1	Dec. 16
Do. 6% 2nd pfd.	1.50	Feb. 1	Jan. 17
Br. Mtge. & Tr.	4.00+1.00	Jan. 3	Dec. 15
T. G. Bright	.25	Jan. 14	Dec. 31

[illegible]

Dividends Declared (con'd)

F. W. Horner A	.12½	Jan. 3	Dec. 1
How. Smith Pap.	.50	Jan. 30	Dec. 31
Do. pfd.	.50	Jan. 20	Dec. 31
Howey Gold	.01	Dec. 31	Nov. 24
Hubbard Felt A	.75	Jan. 1	Dec. 8
Hud. Bay Co.	4%+2½%	Jan. 30	unstated
Hunts A & B	.10	Jan. 5	Dec. 15
Huron & Erie Mtge.	1.25	Jan. 3	Dec. 15
Do. 20% paid	.25	Jan. 3	Dec. 15
Hydro-Elec. Sec. B	.25	Feb. 1	Dec. 30
Imp. Bank	.30	Feb. 1	Dec. 31

[illegible]

Market Comment

What stocks and bonds are doing and what prominent observers say

Confidence is in the driver's seat and sidelined money is getting restless. Majority of investors are convinced that the market is headed for higher levels early in 1950 but look to a continuance of the heavy churning action well up into the 200-212 area on the Dow-Jones industrial average with an intermediate setback likely somewhere along the way.

It is a point to keep in mind that most of today's buying in industrial stocks is of a short-term character — designed to take advantage of what many consider the last kick of postwar boom conditions. Spring, 1950, is the deadline for liquidation being set by many traders. All intend to review their position critically at that time in the light of then existing conditions.

This week major golds turned stronger; Dome, McIntyre, Kerr Addison, Hollinger and Homestake (U.S.) all moved up on best buying in over two months. Undoubtedly some of the renewed interest among U.S. traders stems from replacement buying after customary year-end tax selling and does not necessarily represent a change in trend. There is, however, a belief in certain quarters that Britain will not be able to get out of her current financial dilemma without further devaluation in the pound sterling, with a consequent effect on the Canadian dollar. These sources say an 80c Canadian dollar not unlikely. There is no doubt that thinking along these lines has been responsible for some of the increased strength in golds.

* * *

FRANK G. LAWSON: Moss, Lawson & Co. (Toronto)

An examination of the stocks held by Investment Trusts operating in Canada shows a preponderance of securities in long-established companies with good earnings and dividend records. In most cases these companies are the leaders in their respective industries. Significantly, the current yields on such stocks on the average are considerably lower than the average yield available on the 112 stocks included in our "Investment Yield" list. Moreover, the buying power of investment trusts is becoming so large that the supply of these high-grade stocks becomes exhausted now and then, resulting in still higher prices and lower yields.

Outside of this high-grade list of stocks representing outstanding companies, there is a growing list of secondary Canadian companies, the securities of which merit consideration. The yields on many of them are high, some so high that many investors are scared off because, at first glance, it seems incredible to them that a stock yielding 7% or even 10% could be anything but risky.

This is why we, and most other stock brokers, like to spend considerable time with each investor going over the information available concerning each security. The "safe" stocks of today, that is, if anything can be considered safe, were considered risky a few years ago. Some of the so-called risky stocks of today will undoubtedly be considered high-grade a few years hence.

We find that income is now so important to many investors that these high-yielding stocks give such a good return that a great deal of the risk is compensated for by the high yield. We believe that 1950 will be a profitable year for the careful investor.

* * *

A. H. BOLTON: Bolton, Tremblay & Co. (Montreal)

As we enter the new year, confidence is considerably higher in investment and business circles than it was a year ago. Confidence, of course, breeds bull markets; therefore, it seems likely that this one which started last summer has considerably farther to go before it ends, and probably will better the peak levels of 1946.

Sustaining factors are the relatively low price-earnings ratios, increasing dividends as expansion programs taper off and high level earnings allowing larger percentages to be safely paid out, and an abnormal relationship in favor of stocks in the bond-stock yield ratio.

Basically, 1950 should be a good year for investors, provided always they follow the sound principle of reducing percentage holdings in equities as the market rises.

* * *

BARRON'S: The Trader (New York)

Record final quarter dividend payments and clearly favorable business prospects are cutting steadily through the miasma of fear and caution that has overhung the stock market for over three years. Stocks are still cheap by every test of yield and of earning power. Every month that passes without the oft-predicted catastrophes materializing should increase confidence and intensify the movement of idle cash into equities.

* * *

New Highs and Lows

During the week ended Dec. 26, 30 new highs were recorded among the general stocks on Canadian Stock Exchanges and seven new lows. In the mining group there were six new highs and 18 new lows. In the western oil group there were five new highs and three new lows.

GENERAL

New Highs—1949

Bank of N. S.
Bathurst Pr. A
Do. B
Burns & Co. B
Canada Cement
Cdn. Bakeries
Cdn. Celanese $1 pf
Cdn. Fairbanks-M.
Cdn. Oil Cos.
Consumers' Gas
Distillers-Seag.
Dom. Steel & Coal
Foundation Co.
Gen. Prod. A
Huron & E. Mtge.
Do. pref.
Invest. Foundation
Kelvinator
Nat. Hosiery A
Ont. Steel
Photo Engr.
Southam
Steel of Can.
Do. pfd.
Taylor Pearson pf.
Tor. Iron
United Corp. B
United Steel
West Grocers
Westminster Pap. B

New Lows—1949

Argus Warr.
Atlas Steels
Belgium Glove pf.
Cons. Bakeries
Dom. Magnesium
Melchers pref.
Wilson, T. C.

MINING

New Highs—1949

Barnat
Castle Tretheway
Lake Fortune
Magnet Cons.
Malartic Gold
Steep Rock

New Lows—1949

Armistice
Barymin
Bidgood Kirk.
Boymar Gold
Celta Devel. & M.
Chromium
Cons. Astoria
Cons. Howey
Halcrow Swayze
Jack Lake
Little Long Lac
Negus Mines
Nicholson
North Denison
Ryanor
Taku
Trans. Resources
Western Ashley

OILS

New Highs—1949

Calgary & Edmon.
Del Rio
Federated Petrol'm
Pacific Petroleum
Royalite

New Lows—1949

Acme
Cons. Homestead
Mid-Continent Oil

LONDON CALLING—*By Adelphi*

Will Liberals Split Vote, Win Election for Labor?

LONDON — The British Conservative Party is entering the New Year with high hopes and quiet confidence. The electoral results in Australia and New Zealand caused a deep depression in the ranks of the Socialists, and sent the Tory spirits soaring. Unfortunately it acted as a tonic to the Liberal Party which remains a most frivolous corpse.

Many eyes are watching the coast line for the possible return of Lord Beaverbrook. He has told his close friends that he will come back for the election, which means that he will personally direct the propaganda batteries of his newspapers.

Some people see a change of the Beaver's heart in the announced resignation of David Low as cartoonist of the Evening Standard. Low is a New Zealander who was toughened in Australia and then moved on to conquer London. He is undoubtedly the best cartoonist in the world and certainly the most independent.

* * *

Although the Evening Standard appeals overwhelmingly to the Tories and the upper income tax groups, Low has been a thorn in the side and a pain in the neck to the Conservative Party. Recently his cartoons have been so caustic and anti-Tory that readers made angry protests.

Whereupon Low gave a year's notice (as per agreement) and announced his intention of joining the Socialist Daily Herald when his notice expires.

I do not believe that the Beaver is behind this. Low is a sensitive fellow when it comes to his own feelings and he was probably hurt by the readers' letters.

* * *

My own guess is that the Beaver, on his return, will quiz every candidate on where he stands on the question of the Empire, and will give his support to those who wave the flag with the greatest fervor. Then, because he is a sentimentalist, he will back Churchill, but since he is also a Puck he will support the Liberals.

There is in the Tory ranks a growing fear of the Liberal vote. Not more than a half dozen Liberals will be returned but by splitting the vote in 300 constituencies they may win the election for the Socialists.

* * *

Debate Was Warm On Political Funds

On the last day of Parliament, before it rose for the Christmas recess, there was a furious debate on whether or not political Parties should publish full accounts showing the source of their funds and how the money is spent.

"Hitler built up the Nazi party," said a Government spokesman "because the party did not have to disclose the huge sums given by the big industrialists."

That was true, but would our Socialists argue that an anti-Hitler Party, if there had been one, should also have disclosed its subscribers? If so, it would have meant death or the concentration camp for them after Hitler was in power.

It is not as bad as that in Britain, but with the State as the biggest Industrialist in the country, the chairman of a private company who was shown to be a subscriber to the Conservative funds might well be placed on a banned list for any further orders from nationalized industries.

Tempers became hot. Quintin Hogg, the brilliant son of former Lord Chancellor Hailsham, accused the Socialists of cooking their books, and said that their published statement of contributions was false and misleading.

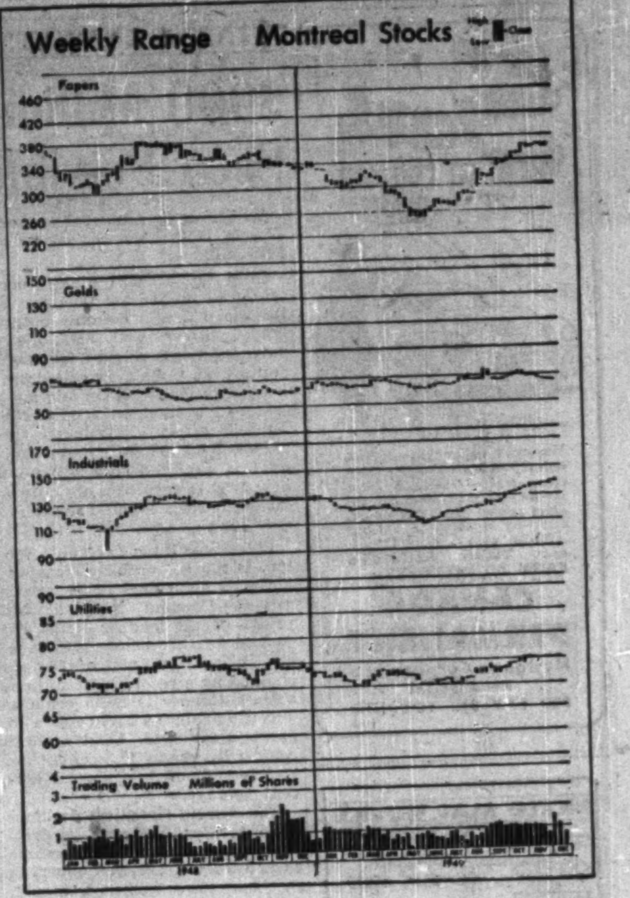
Good old Arthur Greenwood, who is Treasurer of the Labor Party, said that Hogg had uttered a lie. This was too much for Mr. Speaker who demanded a withdrawal. "Very well, sir," said Greenwood, "I will withdraw the word 'lie' and substitute for it a phrase once used by Winston Churchill—'a terminological inexactitude'."

Dividends Declared (con't.)

Tooke Bros.	.10	Jan. 3	Dec. 15
Tor. Gen. Trusts	1.75	Jan. 3	Dec. 9
Tor. Iron Wks. com. & A	.15+.15	Jan. 3	Dec. 15
Tor. Mtge.	1.25+.25	Jan. 3	Dec. 15
Traders Bldg.	.25+.25	Jan. 16	Jan. 7
Trad. Finance A & B	.37½	Jan. 3	Dec. 15
Do. 4½% pfd.	1.12½	Jan. 3	Dec. 15
Do. A & B rts.	1.00	Jan. 3	Dec. 15
Tuckett Tob. pfd.	1.75	Jan. 14	Dec. 30
Twin City Rap. Trans. pf.	†.62½	Jan. 3	Dec. 20
Un. Amuse. A & B	.50+.75	Dec. 30	Nov. 15
United Corp. B	.10	Dec. 31	Dec. 29
United Dist.	1.00	Jan. 4	Dec. 29
Union Gas	.12½	Feb. 1	Jan. 6
United Fuel A pfd.	.75	Jan. 1	Dec. 9
United Sec. Corp.	.17½	Jan. 1	Dec. 2
United Steel	.15	Dec. 30	Dec. 15
Verney Corp. pfd.	.56	Jan. 1	Dec. 15
Viau Ltd.	.25	Jan. 3	Dec. 20
Do. pfd.	1.25	Jan. 3	Dec. 20
Victoria Tr. & Sav.	1.75	Jan. 3	Dec. 15
Wabasso Cot.	.25	Jan. 3	Dec. 10
Waterous	.10	Jan. 16	Dec. 20
West. Groc. A	.50	Jan. 15	Dec. 15
Do. pfd.	.35	Jan. 15	Dec. 15
West Koot. pfd.	1.75	Dec. 31	Dec. 15
Westminster Pap. A	.12½	Jan. 31	Jan. 7
Do. B	.02½	Jan. 31	Jan. 7
West. Brew.	.40	Jan. 16	Dec. 31
Geo. Weston	.25	Jan. 3	Dec. 10
Wilsil Ltd.	.25	Jan. 3	Dec. 1
Willson Stationers	1.25	Jan. 15	Dec. 31

[illegible]

*American funds. †Initial. ‡Extra.



GYPSUM, LIME & ALABASTINE, CANADA, LTD. has declared four quarterly dividends at 35c a share each payable in 1950 on the following dates: (1) March 1 to holders of record Feb. 1; (2) June 1 to holders of record May 1; (3) Sept. 1 to holders of record Aug. 1; (4) Dec. 1 to holders of record Nov. 1. These dividends are at the rate of $1.40 per share a year and represent an increase over the rate of $1 a share a year paid quarterly since March 1, 1948. An extra 25c was paid in March 1949 bringing the total for that year to $1.25 a share.

HUDSON'S BAY CO. has declared an interim dividend of 6½% per share payable Jan. 30, 1950. Payment will be at the rate of 4% less income tax on profits from trading and 2½% from receipts of land sales which are not taxable. Payments are in respect to the year ending Jan. 31, 1950. Similar dividends have been paid semi-annually since Feb. 1, 1948.

DOMINION TEXTILE CO. had 2,539,904 common shares outstanding at Nov. 30.

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MINING INVESTMENTS

$900 Millions Output Seen Possible in 1950

Will Canadian mineral production in 1950 reach the figure of $900 millions?

Gold output will almost certainly be higher for 1950 due to the sharp rise in monthly output lately. Silver will also likely move upwards due to increased activity at Cobalt, growing production of United Keno and more seasoned production activities at Torbrit Silver. Petroleum (included by DBS in mineral output) is expected to chalk up a new 1950 record. Iron ore output, including sinter, should reach into new high ground.

Offsetting these favorable factors is the not entirely clear situation regarding non-ferrous metals. Demand is good; but prices of all leading items except nickel, are below 1948 average prices on which Canada chalked up a record $820 millions output. Copper is 20.35 cents at Toronto against a 22.3 cents a lb. average for 1948. Lead is 13.25 cents a lb. versus 17.3 cents. And zinc is 11.50 cents against a 13.9-cent average.

The current statistical positions of copper, lead and zinc—at present prices—are not unfavorable as pointed out below. Copper, in fact, may move higher. Quemont, East Sullivan and Reeves MacDonald are expected to be producing for a full year in 1950, should help augment output totals.

Mineral production of Newfoundland will also serve to boost physical volume of output.

• • •

1951 Looks Bright

Actually 1951 may prove a much better year than 1950. Quite a few important developments will take place. Quebec Iron & Titanium will start production. Johns-Manville's new operation in Northern Ontario should give a good account of itself. Recovery of gold mining should be further advanced.

Production of crude oil might increase $50 millions in 1951 due to completion of the Interprovincial Pipe Line project by spring of 1951.

A billion dollars of mineral output a year does not appear to be so far off.

• • •

Copper Looks Good

A fair chance exists that the price of copper may move upward with numerous consumers unable to fill their requirements at present prices in the New York market.

Preliminary statistics indicate that December U. S. orders were by far the highest of 1949 and well in excess of available supplies. With the sharp drop in inventories further extended, a rise in price appears not at all unlikely. Inventories must now be little better than a month's requirements as far as primary producers are concerned.

Both lead and zinc are continuing quite strong.

Production of replacement batteries continues at a high level but there does not appear to be any current likelihood of a price step-up for lead.

Output of zinc in the United States has been running the lowest since 1946. Recently released statistics show that save for the interruption of the steel strike, output of galvanized plate has been the highest in years. There has been an increase in premiums being offered for special grades of zinc recently.

The United Kingdom recently purchased 10,000 tons of Mexican zinc in the New York market, it is reported.

• • •

Renabie Doing Well

While Renabie Mines didn't quite equal its October production record in November, output came very close.

Bullion amounting to $123,118 was recovered in November from milling of 13,296 tons of ore for an average recovery of $9.26 a ton. This compared with October output of $128,970 from 13,452 tons and average recovery of $9.58.

Under provision of the Emergency Gold Mining Assistance Act, an additional $14,359 of revenue is estimated for November, the company reports.

• • •

Inco Shares at $31

"Why is International Nickel stationary at around $31?" asks a subscriber.

We can think of about four reasons why the "bloom is off the market" for this company's shares at present—

1. Over-all demand for nickel was down about 15% in 1949.

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2. Nickel, the company's chief product, has increased in price only a small percentage in relation to prices of other metals.

• • •

3. Profits are barely covering dividends.

• • •

4. Tax selling has been a share market depressant.

Discovery Mill Starts Jan. 1

Tuning in of the new mill of Discovery Yellowknife Mines was started Dec. 15 with treatment of low grade ore. Regular mining and milling operations were expected to be under way Jan. 1, 1950, The Financial Post is informed.

Different tests have indicated that gold extraction of between 97 and 98% can be secured which is relatively high for a Canadian gold mining operation.

Shaft sinking is in progress with a third level at 375 ft. depth expected to be reached by Jan. 15. This level will be opened up to make further stopes available for mining.

Mill heads are expected to average about 0.65 oz. and a fair operating profit is anticipated by the management in the first year of operations.

Negus Rights Being Offered

Offer One New Share at $1.25 For Each Four Shares Held

Shareholders of record Jan. 10, 1950, of Negus Mines are being offered rights for the purchase of 500,000 additional shares at $1.25 a share on the basis of one new share for each four shares held.

The offering has been firmly underwritten and will put $625,000 into the treasury. A term of the underwriting grants the underwriters an option entitling them during 1950 to purchase a further 100,000 shares at $1.25 a share. Exercise of this option will place a further $125,000 in the treasury, making a total of $750,000 expected to be raised through financing.

Authorized capital of the company is three million shares of which two million have been issued. Completion of the financing will leave 500,000 shares in the treasury subject to the option on 100,000 shares.

The financing will provide, among other objectives, for the active development both laterally and at depth of the Campbell shear zone on which Negus has a length of 4,200 ft. extending from properties of Consolidated Mining & Smelting Co. on the north, to the Yellorex property on the south.

As soon as possible after Jan. 10, 1950, there will be mailed to shareholders a warrant showing the number of shares to which each registered shareholder shall be entitled. These warrants or share rights will be transferable. All rights must be taken up on or before Jan. 28, 1950, after which date the rights to shareholders will be void and those not subscribed for are to be taken up by the underwriters.

This offering to shareholders will not include those who are resident in the United States. However, they will also receive share warrants which they may transfer or sell within the time prescribed.

Hugh-Pam Gets A New Board

With two exceptions a new board of directors was elected for Hugh-Pam Porcupine Mines at a meeting of shareholders last week. Additions were R. A. Cranston, George Scott and J. A. Hackett; J. Bradley Streit and William Cameron were re-elected.

At a meeting of directors following the annual meeting, R. A. Cranston was elected president and J. Bradley Streit vice-president, while George Scott was appointed secretary-treasurer and William Cameron assistant secretary-treasurer.

In a post-meeting statement President R. A. Cranston stated in part as follows:

"With the election of the new board of directors it is anticipated that an aggressive development program will be carried out in an endeavor to bring the property into production during 1950.

"With the object of bringing the property into production, the company entered into an agreement in December, 1947, with Broulan Porcupine Mines and Porcupine Reef Gold Mines to provide for the exploration, development and mining of the property from the shaft and underground workings of the Porcupine Reef mine, and the milling in the Broulan mill of gold ore mined thereon. Broulan is financing this work and receives treasury shares of Hugh-Pam as reimbursment, first at 10c per share up to a total of 750,000 shares and then at 20c per share for a further 250,000 shares. Including 350,000 shares issued to Broulan, there are now about 3,350,000 shares issued of the authorized capital of four million shares. When the property is brought into profitable production, operating profits will be distributed 55% to Hugh-Pam, 25% to Broulan, and 20% to Porcupine Reef.

"The underground work completed to Sept. 30, 1949, included 1,390 ft. of drifting, 6,870 cu. ft. of slashing and 3,374 ft. of diamond drilling. The results of this work have indicated on the 650-ft. level, one length of 125 ft. averaging 0.21 oz. or $8.09 per ton over drift width of 8 ft. and a second length of 160 ft. with average grade of 0.32 oz. or $12.32 per ton based on face chip samples or 0.23 oz. or $8.85 per ton based on muck sampling over drift width of 8 ft.

"The operation of the property together with the Porcupine Reef, Bonetal and Broulan mines by one organization and with one mill should result in much lower unit operating costs than could be obtained otherwise."

On basis of statements rendered to Hugh-Pam Porcupine Mines, 492,952 shares of Hugh-Pam are claimed by Broulan for expenditures made. Hugh-Pam has issued 350,000 shares, has been waiting for a certification of its auditors as to Broulan expenses before making a further distribution of its shares.

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European Platinum Demand Shows Revival For 1949

"Revival of European markets for platinum metals was outstanding during 1949 as compared to other postwar years," Dr. Charles Engelhard, president of Baker Platinum of Canada and of Baker & Co. Inc., New York, world's leading dealers and refiners of platinum metals, states in a review of the industry in 1949.

"Reconstruction, modernization and expansion of European facilities for manufacturing various kinds of electrical apparatus and for making rayon, acid and other products required important quantities of platinum and palladium for electrical contacts and for spinnerets, catalysts and other purposes. These important needs for platinum metals were augmented by a large demand for dental purposes. Europeans are using dental bridgework made of casting alloys containing 20 to 40% palladium."

Dr. Engelhard points out that Canada is a major source of the world's supply of these metals which include platinum, palladium, rhodium, ruthenium and iridium. All are by-products of nickel-copper mining.

"Canada continues to be the leading source of the platinum metals which are supplied also by South Africa, Colombia and Alaska. The production facilities in South Africa were expanded during 1949. Little is known about the platinum metals production of Russia which was not an important supplier of platinum metals to world markets during 1949. The statistics on United States imports of platinum metals show that none of the platinum metals were imported from Russia during the year. In previous years large quantities of platinum and palladium were received from Russia," Dr. Engelhard said.

"The uses of platinum metals are more diversified and the benefits that can be obtained from their use are more widely known than at any previous time. Scientific research directed to making more and better use of them is being vigorously pursued by both suppliers and consumers. These are important reasons for looking to the future of platinum metals with confidence.

Industry Chief User

"In the United States the industrial use of platinum metals for electrical and chemical purposes exceeded their uses for jewelry and decorative purposes," he declared. "Platinum metals are chosen for industrial purposes for their economy, which involves exceptional performance and high salvage value. These factors are receiving more attention from chemical engineers than ever before. During 1949 processing equipment of good size was constructed of platinum, or lined with thin layers of platinum, using improved fabrication methods. This type of apparatus is used to advantage in handling corrosive materials and in carrying out difficult chemical reactions, especially when high temperatures or high pressures are involved.

"A noteworthy development in the past year has been the use of platinum and palladium catalysts in new production processes. For example, 'platforming,' a new refining method for producing gasoline with high octane rating, is done with the aid of platinum catalyst. Already past the experimental stages, a production plant using this new process is under construction. Palladium catalysts are playing an important role in the manufacture of the newer antibiotics, developed after penicillin."

The year was 1835 ...

. . . over 32 miles of primitive roads and tangled woodland trails *walked* six Canadian pioneers . . . arguing fiercely as they went. Their purpose: *to kill each other's vote!*

Yes, these six early settlers knew they were evenly divided in opinion : : : that *three* would vote for one candidate Dr. William Dunlop, The Canada Company's man . . . and *three* would vote for the other candidate, Col. Anthony Van Egmond. Yet they made the gruelling march to Goderich, Ontario, there to cast their ballots in the 1835 election of The Upper Canada Legislative Assembly. Not one of the six said "*There's no use my going—my vote will be killed.*"

When YOU cast your secret ballot at every election—municipal, provincial, federal—you exercise a duty and privilege planned, worked and fought for by your forefathers. Your vote protects the future of your children. To fail in this duty is to be less than a good citizen.

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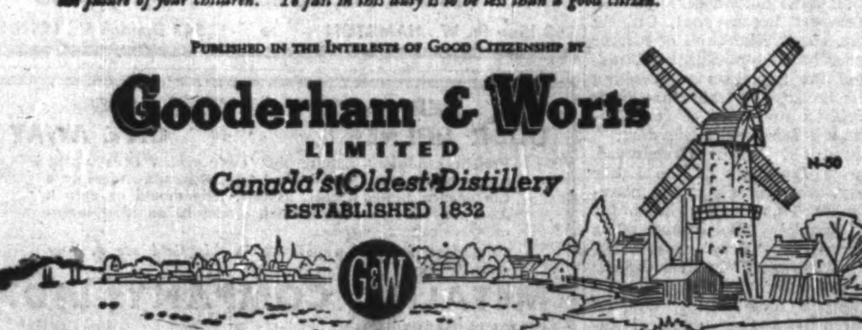

Waterfront of the Town of York (now Toronto) in 1832
Gooderham & Worts Mill in foreground

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Timmins, Murdoch, Waite On Iron Ore Co. Board

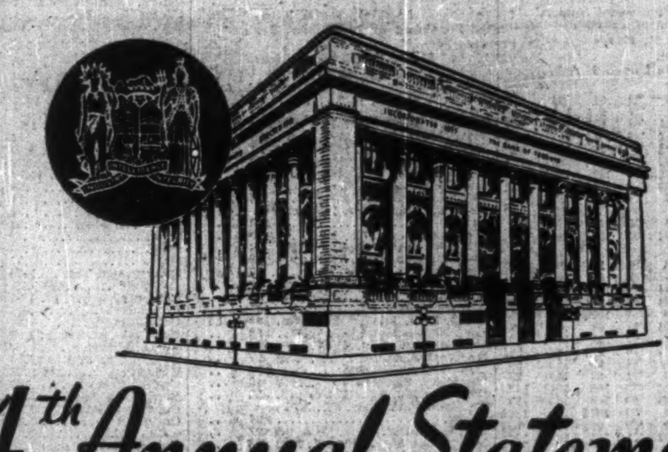
In Cleveland last week, George M. Humphrey, president of the M. A. Hanna Co., was elected president of the Iron Ore Co. of Canada, a company organized early in December to develop iron ore reserves established by Labrador Mining and Hollinger North Shore Exploration Co. in the Quebec-Labrador area.

Election of officers occurred at the first meeting of the full board of directors on which six American steel and ore producing firms interested in the project are represented.

Jules R. Timmins, president of Hollinger and Labrador, was elected vice-president of the new company. Other officers are J. H. Thompson, vice-president, C. N. Osborne, treasurer, and G. W. Humphrey, secretary.

In addition to Mr. Timmins, other Canadians on the 15-man board of directors are J. H. C. Waite, president of Mining Corporation of Canada, J. Y. Murdoch, president of Noranda Mines and J. I. Rankin of N. A. Timmins Corp.

The board announced that drilling operation in the Quebec-Labrador concession has verified the existence of 350 million tons of iron ore, with much of the area yet to be explored.



94th Annual Statement

Statement as at 30th November, 1949

ASSETS

Cash, Deposits with, and due from Other Banks			$ 81,701,884.
Dominion and Provincial Government Securities	Not exceeding		203,222,429.
Municipal and Other Securities	market value		21,662,493.
Call Loans (secured)			7,062,401.
Commercial and Other Loans			137,242,365.
Bank Premises			5,508,399.
Customers' Liability under Acceptances and Letters of Credit (as per contra)			2,886,110.
Other assets			102,256.
Total Assets			$459,388,337.

LIABILITIES

Deposits		$433,956,186.
Notes in Circulation		530,706.
Acceptances and Letters of Credit outstanding		2,886,110.
Liabilities to the public not included under foregoing heads		284,432.
Dividends and Bonus Declared and Unpaid		300,552.
Capital	$ 6,000,000.	
Reserve Fund	14,000,000.	
Undivided Profits	1,430,351.	
		21,430,351.
Total Liabilities		$459,388,337.

PROFIT AND LOSS ACCOUNT

Profits for the year ended 30th November, 1949, before Depreciation on Bank Premises and Government taxes—full provision for bad and doubtful debts having been made		$ 2,529,970.
Less:		
Depreciation on Bank Premises and Equipment		
As allowed for tax purposes	$336,009.	
Special additional provision on which tax is paid	200,000.	
	$536,009.	
Provision for Dominion and Provincial Government Taxes	838,398.	1,374,407.
		$ 1,155,563.
Dividends	$720,000.	
Provision for Bonus payable 3rd January, 1950	120,000.	840,000.
Balance of Profits carried forward		$ 315,563.
Balance of Profit and Loss Account, 30th November, 1948		1,114,788.
Balance of Profit and Loss Account, 30th November, 1949		$ 1,430,351.

J. L. CARSON, *President* L. G. GILLETT, *General Manager*

THE BANK OF TORONTO

NEW DICKENSON MINES LIMITED

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The underground diamond drilling currently testing the North C. Zone below the fourth level, continues to show excellent results. Several ore intersections have been encountered, returning high values over widths up to 25 feet.

•

The aggressive mine development programme presently under way is meeting with outstanding success and important news is reaching us constantly.

•

We would be pleased to keep you informed regarding the progress being made on the New Dickenson property. Please write or phone this office.

•

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See Big U. S. Need For Canada Oil; Future Attitude on Tariff Important

Oil industry executives, defense planners and businessmen in the United States are taking more notice of Canadian oil and its implications to the U. S. as well as Canada.

Fortune, in its January, 1950, issue, succinctly sums up the situation in these terms:

"Canada now dares look even farther to the time when Canadian oil may bring in U. S. dollars. South of the border, independent oil men are stirring uneasily at the prospect of a sizeable import of Canadian oil. The U. S. military men, on the other hand, are pleased. To them, oil in Canada is oil in North America. It is oil that, in times of war, need not be ferried to the U. S. by water from distant lands. It is strategic oil, vital for defense of the hemisphere."

U. S. oil producing interests have been clamoring recently for an increase in the present tariff of 10½ cents a barrel on oil imported into the United States.

Naturally Canadians think that to charge Canada any tariff at all on oil is a rather ludicrous idea, certainly as long as this country is a net importer of oil from the United States.

The possibility of Canada exporting oil is not a remote one, Fortune suggests, and deals with how the question of oil imports from Canada should be regarded:

"What if Alberta's oil reserves turn out to amount to five billion bbl., as Tanner and many others believe?" Fortune queries. "In this case Canada will have quantities of oil for sale. Where is this oil to go? If there were no international boundary, it would logically flow to cities like Minneapolis, in the so-called oil drought areas of the U. S. Even in spite of the boundary, most oil men suggest that Canadian oil be shipped into the western U. S. as a swap for U. S. oil shipped into Eastern Canada. But this idea has already met with opposition from many independent oil men, who suggest instead, that a prohibitive import duty be slapped on all foreign oil.

"If Canada should be shut out of U. S. markets by tariff barriers, she could fight back by importing all her oil from South America and the Near East and none from the U. S. Her most potent ally, however, in any fight to prevent exclusion, would be American self-interest. If the U. S. should shut out Canadian oil, it would risk Canada's friendship. Further, such a step might have the effect of throttling the full development of the Canadian oil reserves, and this would be a move against U. S. national security. Oil in Canada is strategic oil, vital to hemisphere defense. The U. S. needs Canadian oil reserves, just as it needs and wants Canada's traditional goodwill. A way must be found to ensure both."

When the pipeline from Edmonton to the head of the lake is going full blast, Fortune expects that the Canadian bill for U. S. oil will drop from $300 millions (1948) to something like $170 millions.

Granting that the Western Canada provinces may some day produce the 300,000 bbl. of oil a day that equals Canada's daily oil consumption, a certain amount of that oil cannot be used in Canada, it is pointed out. "Transportation costs will prevent Alberta oil from supplying such large users as Montreal. No matter how much oil is produced in the West, the East will still be forced to import oil."

As has been pointed out before now, this means that Canada must seek export markets for oil long before self-sufficiency is attained. At one time thoughts were entertained that Chicago might be a logical outlet for surplus Canadian oil. But in the Chicago market, Canadian oil would come into direct competition with mid-continent crude with its established outlets.

Fortune doesn't state the potential market for oil in the Minneapolis-St. Paul area but The Financial Post understands it is in the neighborhood of 100,000 bbl. a day, or about a third the entire Canadian market. Present refining capacity in that area is only about 10% of market requirements, it is understood. If Canadian oil ultimately is to be marketed in the Minneapolis-St. Paul area, the question arises as to who would install the refining capacity and how would distribution of the resulting products be attained. Installation of refining capacity to handle 100,000 bbl. of crude a day would be a $100 million proposition aside entirely from distribution facilities.

But Canadian oil reserves are mounting and as the pipeline speeds to completion in spring 1951, questions like this may find their answers.

Make Money on 20c a Ton? Aim To Do It In Nevada

Can a gold mining operation treat ore containing only 20c a ton in gold—and show a profit?

A 100% mechanized operation described as "push button" mining by its sponsors, Yuba Consolidated and Fresnillo Co., an affiliate of Consolidated Goldfields of South Africa, is predicated on the basis that this can be done, American Metal Market reports. The property is located in Nye county, Nevada and the two companies have already spent $2.5 millions on the venture through a jointly owned subsidiary, Round Mountain Gold Dredging Co.

It marks the first time a gold mining company has attempted to mine low grade alluvial ore on a large scale.

The low grade ore will be dug from the open pit on Round Mountain by electrical power shovels. It will be dumped on a conveyor belt and transported to the mill on a 3,000-ft. conveyer belt. The mill in full production is expected to be capable of handling 17,000 tons a day. The companies expect the ore to yield a minimum of 20c a ton, which means a gross of $3,400 a day at full production.

Round Mountain reserves of low grade ore are estimated to total 67 million tons or enough to last for about 15 years.

OIL PRODUCTION

Imperial Places 93rd Well On Production at Redwater

From Our Own Correspondent

CALGARY — Imperial Oil has placed its 93rd Redwater well on production and has begun drilling operations at two additional wells. The new completion is Imperial-Egremont No. 14 bottomed at 3,235 ft. and rating an initial potential of 1,410 bbl. per day.

The new starts are Imperial Amelia No. 25 L.S.D. 7, 3-57-21w4 and Amelia No. 32 L.S.D. 8, 10-57-21w4.

Imperial has no lack of productive acreage in the Redwater area for further drilling. In fact, the extent of its proven up but undrilled lands has made it difficult to keep up with the drilling of offset wells to those put down by its neighbors which have acquired lands from the Alberta Government.

• • •

A D3 zone thickness of 153 ft. has been indicated for the first well drilled on the northwest Redwater quarter section for which Tanner Bros. Syndicate paid a cash bonus of $918,662 last October.

D3 zone was topped at 3,170 ft. and found the top of the oil-bearing zone at 3,186 ft. The 96 ft. of porosity below this is the thickest yet found in the northwest part of Redwater.

B. A. Michel Oils well on the adjoining quarter section is now nearing completion.

• • •

Imperial Extends North

Oil exploration continues to extend rapidly into Northern Alberta. Alberta has granted reservations totaling 1,185,725 acres in the northwestern reaches of the province, boosting oil and gas rights taken up to over 20 million acres in the northern part of the property.

Nine of the new reservations (896,285 acres) will be explored by Imperial Oil.

Texaco and McColl-Frontenac have joined to take the remaining three reservations totaling 289,440 acres.

Imperial has moved into the area north of Lesser Slave Lake with ground taken in the Peerless Lake-Loon River region 55 miles north of Lesser Slave Lake, 200 miles north-northwest of Edmonton. Shell, Phillips Pete., Socony-Vacuum, Stanolind, Cities Service, Union Oil, Canadian Gulf, Bear, and others are already operating in this region.

Balance of the Imperial spread lies just west of the Keg River post, 108 miles north-northwest of Peace River town and 340 miles northwest of Edmonton. This block fits on to the west of reservations held by Pacific Pete. and its associates, and by Royalite Oil.

Texaco and McColl have their three reservations about 10 miles east of the Alberta-British Columbia border. The ground lies just south of Peace River and a dozen miles northeast of the Pouce Coupe gas field.

Porc. Reef. Backs Give Ounce Values

Taking down of backs on the 350-ft. level in the new westerly ore shoot has been giving Porcupine Reef Gold Mines "ounce values," President Bert W. Lang informs The Financial Post.

Raising on 800-ft. level in the east end of the mine has also been giving very good values, it is stated.

Prospects are that production in the last quarter will be up considerably due to not only the $38.50 price for gold but due to better grade development ore sent to the mill.

Work has been resumed recently on the Hugh-Pam property with some diamond drilling and raising now in progress.

NEGUS MINES
LIMITED
(No Personal Liability)

NOTICE TO SHAREHOLDERS RESPECTING "RIGHTS" TO PURCHASE ADDITIONAL SHARES

To the Shareholders of Negus Mines Limited:

The Board of Directors of your Company has authorized the offer to the shareholders of record at the close of business on January 10, 1950, of the right to subscribe on or before twelve o'clock noon January 28, 1950, for additional shares of the capital stock of your Company at the price of $1.25 per share on the basis of one share for every four shares held of record on January 10, 1950.

The terms, conditions and provisions under which the said rights are offered will be set out on the face of the subscription warrants which will be mailed to the shareholders of the Company of record on January 10, 1950, as soon thereafter as possible.

As the subscription warrants will expire and become void on January 28, 1950, shareholders who will find it inconvenient through absence or otherwise personally to exercise or transfer the subscription rights before such date should arrange to obtain immediately from the Company a power of attorney in form acceptable to the Company, which will enable a shareholder to deal with his subscription rights as though personally present.

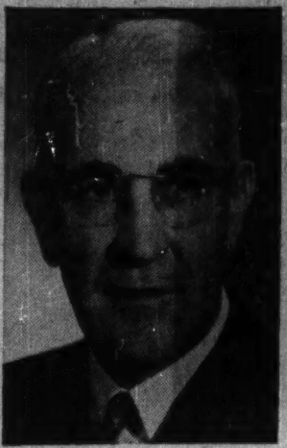
It is also suggested that shareholders holding "street" certificates should have the shares so represented registered in their own names so that they will be shareholders of record on or before January 10, 1950.

A firm underwriting agreement has been entered into with responsible parties members of The Toronto Stock Exchange whereby such parties have agreed to purchase from the Company at the price of $1.25 per share all that part of the block of five hundred thousand (500,000) shares which are offered to the shareholders and which are not subscribed and paid for by the shareholders before the expiry date so that the Company is assured of the receipt of the total sum of six hundred and twenty-five thousand dollars ($625,000). As a consideration for such underwriting agreement the underwriters are to be paid five cents (5c) for each share actually taken up and paid for by the underwriters and are also being given an option exercisable at any time before December 30, 1950, to purchase an additional one hundred thousand (100,000) shares at $1.25 per share.

Not being registered under the United States Securities Act and amendments, this offering of shares does not embrace shareholders resident in the United States, but they will receive share warrants which they may transfer and sell in Canada provided they do so in conformity with the Canadian Foreign Exchange regulations respecting sales of securities by non-residents of Canada.

Dated at Toronto this 27th day of December, 1949.

By Order of the Board,
NEGUS MINES LIMITED
(No Personal Liability)
C. McCREA,
President.



E. D. PRENTIS

has been appointed vice-president and assistant general manager, Cities Service Oil Co.

Drill Contract Let By Lake Surprise

A contract for 5,000 ft. of diamond drilling on its property in the Chibougamau area of Quebec has been let by Lake Surprise Mine to Inspiration Mining & Development Co., it is officially announced. J. C. Honsberger, consulting engineer, is leaving for the property on Jan. 2, to take full charge of the exploration campaign, the announcement continued.

Decision to award the contract to Inspiration to begin drilling as soon as possible was influenced by the fact that Inspiration already has several drills operating in the area and the Lake Surprise management felt that Inspiration would be in a position to undertake the work economically. At least five groups have staked around the Lake Surprise property during the past few weeks, the management reports. Drilling will commence on the main showing across the width of a small point extending into the lake which makes drilling through the ice necessary. In preliminary exploration, grab samples taken where the shear disappears under water at the east side of the point returned values of $52.50 and $9.80.

Since the original discovery was made a couple of years ago, the Quebec Government has built an excellent new highway, facilitating work by Lake Surprise and other companies active in this district.

Que. Asbestos Output Gains

Gold Flow Off in October But Up 25% For First 10 Months

An increase in asbestos production was recorded in Quebec during October with 72,160 tons turned out against 71,973 tons the preceding month and 65,780 tons in October, 1948, according to a statistical bulletin issued by Hon. C. D. French, Minister of Mines.

Gold output declined slightly to 87,144 oz. in October from 91,190 oz. in the previous month but was substantially higher than the 66,727 oz. of October, 1948. Cumulative output for the first 10 months of 1949 was 785,820 oz. against 626,178 oz. the first 10 months of 1948.

Silver Jumps

Silver output took a sharp jump to 359,354 oz. in October, 1949—up from 235,871 oz. the previous month, 191,889 oz. in October, 1948.

Cement production at 581,661 bbl. was lower than the 625,430 bbl. of the previous month and the 593,806 bbl. for the corresponding 1948 month.

OSC Options

Following data on mining and oil company financing arrangements have been released by the Ontario Securities Commission.

NEW DICKENSON MINES — Amended statement filed to cover an extension in the option agreement. Payment of $90,000 due on Nov. 1, 1949, extended to Jan. 15, 1950. Accepted as amended filing Dec. 15, 1949.

COLONIAL ASBESTOS CORP. — By agreement of Dec. 2, 1949, Sandywatt Mining & Development Corp. received an option on 69,995 shares at 40c to $1.50 a share. Authorized capital of the company is 100,000 no par value shares of which 30,005 issued (27,000 in escrow). Accepted for filing, Dec. 16, 1949.

TOBICO CONSOLIDATED GOLD MINES — By agreement of Nov. 21, 1949, David Agency agreed to purchase 300,000 shares at 5c payable by Nov 30, 1949, and received option on a further 1,949,995 shares at 5c to 40c a share. Authorized capital is 3.5 million shares of which 1,250,005 issued (1,250,000 in escrow). Accepted for filing, Dec. 16, 1949.

LLOYDBROOK OIL CO.—By agreement of Nov. 7, 1949, T. L. Brook & Co. received option on 1,300,000 shares at 10 to 35c a share. Authorised capital of the company is 5,000,000 shares of which 1,534,027 issued (1,000,000 in escrow). Accepted for filing, Dec. 17, 1949.

OLD MILL GOLD MINES — By agreement Elder Punchard Ltd., agreed to purchase 30,000 shares at 22½c a share and received option on 2,576,359 shares at 22½ to 30c a share with right to a further option on 1,386,359 shares at 60c to $1 a share on condition earlier option fully exercised. Authorized capital of the company is 5,000,000 shares of which 2,375,641 issued (1,800,000 in escrow). Accepted as amended for filing Dec. 20, 1949.

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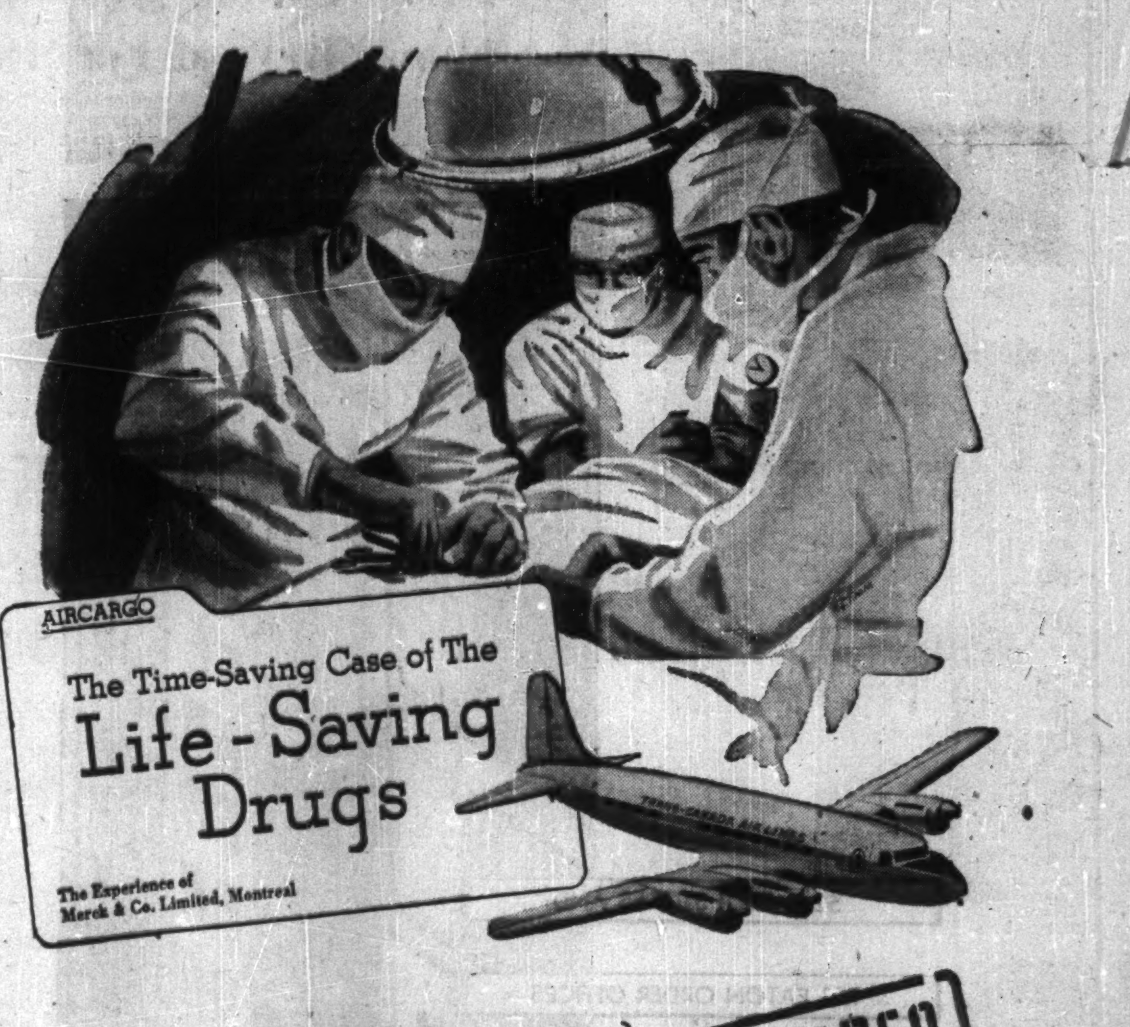

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